PATEL ENGINEERING LTD.

CIN: L99999MH1949PLC007039

August 19, 2021

To,

Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Scrip Code No. 531120

The National Stock Exchange of India Ltd.
Exchange Plaza,
Bandra - Kurla Complex
Mumbai – 400 051

Company Code No. PATELENG/EQ

Dear Sir(s),

Sub – Submission of Annual Report for F.Y. 2020-2021

In terms of the Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the Financial Year 2020-2021.

You are requested to take the same on record.

Thanking you.

For Patel Engineering Ltd.

Shobha Ranjit Shetty
Digitally signed by Shobha Ranjit Shetty
Date: 2021.08.19 20:06:54 +05'30'

Shobha Shetty
Company Secretary
Membership No. F10047

Encl: as above

REGD. OFFICE:
Patel Estate Road, Jogeshwari (W), Mumbai – 400 102. India
Phone +91 22 26767500, 26782916 Fax +91 22 26782455, 26781505
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ANNUAL REPORT

2020-2021

Patel Engineering Ltd.

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Corporate Information

BOARD OF DIRECTORS

Mr. Rupen Patel, Chairman & Managing Director
Mr. K. Ramasubramanian, Independent Director
Ms. Geetha Sitaraman, Independent Director
Ms. Kavita Shirvaikar, Whole time Director & CFO
Mr. Sunil Sapre, Whole time Director
Dr. Barendra Kumar Bhoi, Independent Director

REGISTERED OFFICE

Patel Estate Road, Jogeshwari (West),
Mumbai - 400 102.
Tel: +91 22 267 67500
Fax: +91 22 2678 2455
Email Id: investors@pateleng.com
Website: www.pateleng.com

REGISTRAR & TRANSFER AGENT

Link Intime India Pvt Limited
C-101, 247 Park,
L. B. S. Marg, Vikhroli (West),
Mumbai – 400 083.
Tel No: +91 22 49186270 Fax: +91 22 49186060
E-mail id: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

COMPANY SECRETARY

Ms. Shobha Shetty

AUDITORS

M/s. T. P. Ostwal & Associates LLP
Chartered Accountants
Suite#1306-1307, 13th floor, Lodha Supremus,
Senapati Bapat Marg, Lower Parel,
Mumbai – 400013.
Tel No. : +91 22 4945 4000
E-mail id: itax@tpostwal.in
Website: www.tpostwal.in

LENDERS

Bank of Baroda
ICICI Bank Ltd
Bank of India
Canara Bank
IDBI Bank Ltd
Union Bank of India
State Bank of India
Axis Bank Ltd
Standard Chartered Bank
Bank of Maharashtra
DBS Bank of India Ltd
RBL Bank Ltd
IndusInd Bank Ltd
SREI Equipment Finance Ltd
Export-Import Bank of India
Yes Bank
Life Insurance Corporation of India (LIC)
General Insurance Corporation (GIC)
Indian Renewable Energy Development Agency (IREDA)

DEBENTURE TRUSTEES

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai – 400 001.
Tel: +91-22-4080 7000
Email: itsl@idbitrustee.com
Website: www.idbitrustee.com

Catalyst Trusteeship Limited
Office No. 604, 6th floor,
Windsor, C.S.T. Road,
Kalina, Santacruz (East),
Mumbai 400098.
Tel: +91-22-49220543
Email: umesh.salvi@ctltrustee.com
Website: www.catalysttrustee.com

Message from the Managing Director

Dear Shareholders,

Once again the nation and the entire world has been impacted by the second wave of the Coronavirus disease with very severe consequences causing a large number of deaths in our country. Studies have identified different strains of the virus including double mutant and triple mutant strains, which threatened to play havoc on the country's healthcare sector. New disease like the black fungus caught us all unaware. The COVID-19 pandemic has impacted everyone on an individual and at a corporate level.

It has been more than a year now since the entire world has been battling with the dreaded virus and it has surely made us realize the power of Mother Nature. At this point in time, it is very essential that we all take utmost precaution and take all necessary safety measures to keep ourselves and our loved ones strong and healthy, both mentally and physically. We at Patel Engineering have strived hard to take care of all our employees/their families and have rolled out vaccination drives for all people associated with the Company, including their families and the extended contract workers at our sites.

At a Corporate Social Responsibility front, the Company has contributed in various activities pertaining to local area development works at our sites viz water supply, road maintenance etc on continuous basis. Additionally, we have provided certain facilities and reliefs to the locals by supplying transportation during covid times, medicines, masks, sanitising materials and beds for quarantine etc.

The last one and a half years has had its share of ups and downs. Intermittent lockdowns and restrictions, which were enforced had an impact on the economy at large. However, the Government of India has been focusing on the infrastructure sector in order to ensure world class infrastructure in our country. In FY 21, infrastructure activities accounted for a 13% share of the total FDI inflows of US$ 81.72 billion. In the union budget of 2021, the Government has allocated 34.5% more (BE to BE) than last year for infrastructure development, and given equal emphasis to all physical infrastructure including roads and highways, railways, urban infrastructure, power, port, shipping, airways, petroleum and natural gas.

The Budget 2021 has given much-needed impetus to infrastructure development reducing trade and transaction costs and improve factor productivity. Moreover, the focus on roads and railways will create a unified market in India for the seamless movement of goods and human resources.

The National Infrastructure Pipeline (NIP) for FY 2019-25 is a first-of-its-kind by the government to provide world-class infrastructure to citizens and improve its quality of life. It also aims to improve project preparation and attract further investments into infrastructure.

Furthermore, the Bill for setting up of a National Bank for Infrastructure Financing & Development (NaBFID) is now passed by the Lok Sabha. It envisages setting up a new government-owned Development Financial Institution (DFI) to facilitate the flow of long-term funds for infrastructure projects. The objective also includes the issuance of guarantees and facilitating the development of a bond and derivative market. Proposed tax breaks will enable increasing the cost-effective resource-raising.

Infrastructure projects are predominantly financed by banks. The Short term resource (liability) base of banks, vis-à-vis long gestation period of projects (assets) makes an asset liability mismatch endemic in such bank finance. An institution to provide funds with a commensurate tenor of assets and liabilities is expected to present a viable alternative for funding infrastructure. The success of NaBFID in improving bond/debt market vibrancy will well be an important and a positive step in the continuation of India's endeavor in developing a robust financial structure for the infrastructure sector.

As only fundamentally strong companies in private sector currently remain viable after the revenue loss due to Covid in the previous year, we are bullish about an uptick in the private investments in the sector in the medium term. India's GDP at the backdrop of better infrastructure in future should also see significant improvement in the coming years, which is expected to give a big push to investments in this sector. We could hopefully see a big revival due to reforms in the infrastructure space in India when both public and private investments gain momentum in tandem.

We are confident that our Company is poised to capitalise on such momentum and look at a steady growth going forward. Even during these Covid times, the Company has continued to receive fresh orders of approx. ₹ 2,900 crore in FY 21 and Company's order book as of March 31, 2021 stands at ₹ 14,466.83 crore. The new orders shall give a good boost to the overall growth of the Company improving its profitability, which has been sluggish in the recent past due to the impact of the COVID-19 Pandemic.

The lenders have also shown faith in our growth story and supported us throughout the Covid period. I am happy to inform you that we are one of the few companies that has been able to surpass the test of the robust norms of the Kamath Committee formed by RBI to undertake a one-time resolution plan to overcome the impact of Covid and has been supported by lenders with the availability of adequate working capital limits required for operations of the Company and obtain fresh orders.

To enhance shareholder value, the focus of the Company still remains to keep monetizing its non-core assets, receive arbitration awards/claims and dispose of real estate wherever possible to reduce its debt, improve liquidity and profitability of the Company.

The performance of FY 21 was bound to be low as the Company was hit by the COVID-19 Pandemic. But, we expect to come back strongly in FY 22 and years proceeding.

On a consolidated basis, revenue from operations declined by 24% to ₹ 1,994.79 crore in FY 21 from ₹ 2,617.21 crore in FY 20. Consequently, the Company has incurred a net loss of ₹ 298.22 crore in FY 21 in contrast to a net profit of ₹ 4.43 crore in FY 20.

On a standalone basis, the revenue from operations was lower by 26% to ₹ 1,719.12 crore in FY 21 compared to ₹ 2,333.06 crore in FY 20. Hence, the Company incurred a net loss of ₹ 142.15 crore in FY 21 as against a net profit of ₹ 34.50 crore in FY 20.

With the vaccination drives undertaken by the government, the impact of COVID-19 is expected to phase out slowly, and hence the economy is expected to revive in FY 22.

Thank you shareholders for your much-needed support and co-operation.

Yours truly,

Rupen

Rupen Patel
Chairman & Managing Director

Comparative Consolidated Financials

(₹ in million)

	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
A. FINANCIAL POSITION										
Share Capital	465.45	408.17	164.24	156.99	156.99	76.81	76.81	76.81	69.83	69.83
Reserves & Surplus	22,730.21	25,061.78	22,602.88	21,441.05	21,231.46	17,049.00	18,850.22	17,851.55	16,205.76	15,497.55
Shareholders Funds	**23,195.66**	**25,469.95**	**22,767.12**	**21,598.04**	**21,388.45**	**17,125.81**	**18,927.03**	**17,928.36**	**16,275.59**	**15,567.38**
Minority Interest	612.90	330.98	565.93	557.45	696.19	1,457.36	1247.37	1,293.29	988.98	834.06
Deferred Tax Liability (Net)	-	-	-	-	-	-	139.76	171.54	113.32	216.03
Loan Funds	22,924.63	22,958.23	26,980.07	29,202.35	50,970.06	54,154.92	51,633.58	44,780.38	34,754.22	28,379.91
Total Funds Employed	**46,733.20**	**48,759.16**	**50,313.12**	**51,357.84**	**73,054.69**	**72,738.09**	**71,947.74**	**64,173.57**	**52,132.11**	**44,997.38**
Fixed Assets (Net)	13,611.47	17,480.77	16,412.38	13,484.16	14,977.11	14,587.57	16,402.35	14,606.70	12,509.61	10,532.09
Investments	678.90	1,055.75	1,314.43	1,411.33	1,381.92	1,643.69	1,817.81	1,338.98	1,131.07	985.88
Deferred Tax Assets (Net)	2,002.80	1,174.94	1,638.67	1,166.05	937.98	301.48	-	-	-	-
Net Current Assets & Non Current Assets	30,440.03	29,047.70	30,947.64	35,296.30	55,757.68	56,205.34	53,727.58	48,227.89	38,491.43	33,679.41
Miscellaneous Expenditure (To the extent not written off or adjusted)	-	-	-	-	-	-	-	-	-	-
Total Application of Funds	**46,733.20**	**48,759.16**	**50,313.12**	**51,357.84**	**73,054.69**	**72,738.09**	**71,947.74**	**64,173.57**	**52,132.11**	**44,997.38**
B. OPERATING RESULTS										
Income from Operations	19,947.93	26,172.14	23,622.05	22,745.49	38,838.37	40,408.66	34,153.87	37,011.31	41,148.74	35,920.91
Other Income	1,091.35	2,057.29	1,751.00	2,425.95	2,541.16	1,528.39	1,159.22	1,067.37	817.47	910.92
Total Income	**21,039.28**	**28,229.43**	**25,373.05**	**25,171.43**	**41,379.52**	**41,937.05**	**35,313.09**	**38,078.68**	**41,966.21**	**36,831.83**
Total Expenditure	**22,335.74**	**27,845.08**	**24,278.17**	**22,874.54**	**41,200.70**	**42,809.05**	**35,149.52**	**37,541.04**	**40,707.37**	**35,532.45**
Profit before Tax	-1,296.46	384.35	1,094.87	2,296.90	178.82	-872.01	163.57	537.64	1,258.84	1,299.38
Profit after Tax	-2,907.47	111.31	1,541.46	1,025.83	-1,035.81	-1,970.29	96.73	247.18	742.30	701.87
Minority Interest and other adjustments	119.85	39.30	57.14	66.77	-441.81	-84.77	12.04	83.49	92.27	35.99
Net Profit	**-2,982.04**	**44.46**	**1,487.25**	**959.07**	**-593.99**	**-1,885.52**	**84.69**	**163.69**	**650.03**	**665.88**
C. EQUITY SHARE DATA										
Earning per share (₹)	-6.78	0.39	9.71	6.67	-9.83	-24.30	1.10	2.15	9.31	9.54
Number of Shares	46,54,53,024	40,81,78,292	16,42,48,506	15,69,94,691	15,69,94,691	7,68,06,282	7,68,06,282	7,62,44,325	6,98,27,151	6,98,27,151
Dividend %			-	-	-	-	-	-	-	30%

Board's Report

To the Members of Patel Engineering Limited,

The Directors hereby present the 72nd Annual Report on the business, operations and state of affairs of the Company together with the audited financial statements for the year ended March 31, 2021:

FINANCIAL HIGHLIGHTS

Standalone and Consolidated Financial Performance (₹ in million)

Particulars	Consolidated		Standalone	
	2020-21	**2019-20**	**2020-21**	**2019-20**
Total Revenue	**21,039.28**	**27,883.78**	**18,624.32**	**26,480.04**
Total Expenses	**17,601.57**	**24,318.82**	**15,502.76**	**22,083.91**
EBITDA	3,437.71	3,564.96	3,121.56	4,396.13
Depreciation	720.25	661.86	639.06	586.27
Finance Cost	4,013.92	2,662.69	3,693.83	3,309.06
Exceptional Item	2,141.66	(306.78)	939.13	(111.17)
Profit / (Loss) before tax	**(3,438.12)**	**547.20**	**(2,150.46)**	**611.97**
Tax expenses	(708.86)	234.17	(766.48)	240.29
Share in loss in associates(net)	178.2	201.72	-	-
Net Profit / (Loss) after tax	**(2,907.47)**	**111.31**	**(1,383.98)**	**371.68**
Other Comprehensive Income (Net)	45.28	(27.55)	(37.49)	(8.14)
Total comprehensive income for the year	**(2,862.19)**	**83.76**	**(1,421.47)**	**363.53**
Earnings per equity shares ₹ (face value ₹ 1 each)				
- Basic	(6.78)	0.39	(3.23)	1.30
- Diluted	(6.78)	0.39	(3.23)	0.89

Consolidated:

The Consolidated total income for FY 2021 stood at ₹ 21,039.28 million as against ₹ 27,883.78 million for the previous year. The Net Loss for the year ended March 31, 2021 was ₹ 2,907.47 million as against Net Profit of ₹ 111.31 million for the previous year.

Standalone:

On Standalone basis, the total income for FY 2021 stood at ₹ 18,624.32 million as against ₹ 26,480.04 million for the previous year. The Net Loss for the year ended March 31, 2021 was ₹ 1,383.98 million as against Net Profit of ₹ 371.68 million for the previous year.

Dividend

In view of the losses incurred by the Company, your Directors have not recommended any dividend for the financial year ended March 31, 2021.

Share Capital

During the year under review, the share capital of the Company has been increased from ₹ 40,81,78,292 divided into 40,81,78,292 Equity shares of ₹ 1 each to ₹ 46,54,53,024 divided into 46,54,53,024 Equity Shares of ₹ 1 each pursuant to following allotments:

Date of Allotment	April 23, 2020	September 16, 2020	February 09, 2021
Method of allotment	Conversion of 16,66,94,397 Optionally convertible Preference Shares (OCPs) into Equity shares	Conversion of Debt into Equity	Conversion of Debt into Equity
Issue price (in ₹)	-	-	-
Conversion price (in ₹)	18.12	14.78	14.78
Number of shares allotted	91,99,470	1,26,38,700	3,54,36,562
Number of shares allotted to the promoter group	91,99,470	-	-

Information on state of affairs of the Company

Information on the operational and financial performance, among others, is given in the Management Discussion and Analysis Report (MD & A Report) which is forming part of the Annual Report and is in accordance with the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Material changes and Commitments

The Members may note that there are material changes and commitments between the end of the financial year to which the financial statements relate and the date of this Report. The COVID-19 pandemic continue to develop rapidly into a global crisis, forcing governments to lockdown/ restrict movements of all economic activity. The Board would like to inform the Members that the operations at majority of the Project Sites of the Company was temporarily shut-down on account of COVID-19. Further, the Company has been taking necessary precautionary measures at all its Project sites against the spread of COVID-19 as advised by the Government from time to time. The Company has also followed "Work from Home" policy for its employees. The impact of the COVID-19 pandemic in seen in the financial position of the Company with revenue dipped to ₹ 18,624.32 million in FY 2021 as compared to ₹ 26,480.04 million in FY 2020 and the Company incurred loss in the current year as compared to profit in the previous year. The projects have subsequently commenced operations and the Company will bounce back in a few months' time.

Borrowing

The total long-term borrowings stood at ₹ 19,448.11 million as on March 31, 2021 as against ₹ 19,037.52 million as on March 31, 2020.

Subsidiaries & Associates

As on March 31, 2021, the Company has 69 subsidiaries including step down subsidiaries.

During the year under review, the Company closed down its Singapore non operative subsidiaries viz Patel Param Minerals Pte Ltd, Patel Param Energy Pte Ltd and Patel Param Natural Resources Pte Ltd effective from December 7, 2020.

Highlights of performance of key subsidiaries/Associates

Michigan Engineers Private Limited (Michigan) having presence in urban infrastructure Projects, has an order book totaling to ₹ 4,134.90 million. Michigan was able to maintain the turnover and profitability at the levels of FY 20 at ₹ 2,087.89 million and ₹ 206.55 million respectively despite the lockdowns under COVID-19 and restrictions on labour availability. Michigan started successful execution of its first TBM contract of ₹ 1,920 million and has further ventured into new business segment of bigger diameter tunnel works and invested about ₹ 450 million in a new Tunnel Boring Machine, related accessories and segment casting infrastructure.

Raichur Sholapur Transmission Company Private Limited (RSTCPL) commissioned 765 kV single circuit transmission line between Raichur and Sholapur in July 2014. The Project promoted by the Company along with Simplex Infrastructure Ltd and BS Ltd. Project achieved transmission line availability of 98.72% in FY 2021, 98.46% in FY 2020, 99.41% in FY 2019. Lenders on September 22, 2017 implemented 5/25 scheme as per the RBI guidelines after obtaining approval from Independent Evaluation Committee, with cut off date on 30.12.2016. The project is currently under operation and the debt obligation is timely serviced by RSTCPL. The Lenders have sanctioned Rupee Term Loan to refinance the existing ECB facility, which is under process.

Dirang Energy Private Limited (Dirang), a Special Purpose Company for development of 144MW Gongri Hydroelectric Power Project in West Kameng district in Arunachal Pradesh. The physical progress of the project is on halt mainly due to delay in obtaining consent from State Pollution Control Board, untimely disbursement by project lenders, untimely infusion of equity, resistance from local community. The State Government had issued a Termination Notice on 01.03.2018 against which the Company has filed a writ petition for stay of the said notice in Guwahati High Court. The Guwahati High Court has passed a stay order dated 29.06.2018 on the said termination notice and also its consequential effects. The Guwahati High Court in its order dated 22.01.2021 has directed the parties to start the Arbitration proceedings in the matter. Meanwhile the parent company has settled / agreed to settle the lenders dues.

The Joint lenders Forum (JLF) had invoked SDR in *Bellona Estate Developers Limited* (Bellona) with reference date October 25, 2015. Pursuant to SDR, Bellona allotted equity shares to Lenders to hold 51% stake. Bellona is looking to sell its project, however due to the current pandemic of COVID-19 interest of developers/ investors is currently subdued. The same is expected to improve in coming months.

The status of *Patel KNR Infrastructure Limited* and *Patel KNR Heavy Infrastructure Limited* continue to remain the same. The Company holds substantial stake in these road project companies. Both the NHAI annuity projects are under operation and the respective companies are receiving the annuity on semi-annual basis. The respective companies are maintaining the assets as per the contract conditions. The Company and KNR Construction, the promoters of these companies are looking for divestment in these Projects.

PBSR Developers Private Limited, is developing the project consisting two residential towers (each tower having 20 floors) and one tower of serviced apartments (19 floors). The project offers residential units comprising of 2 BHK, 2.5 BHK and 3 BHK. These residential towers have a total of 12 flats per floor whereas the service apartment block comprises of 11 apartments per floor. The construction is substantially completed and internal finishing works are going on and expected to be completed in FY 2021-22. The project is in final stages of completion.

The Company through a step down subsidiary of its wholly owned subsidiary *Patel Energy Resources Limited* intended to build a thermal coastal power plant project of 1050 MW at Nagapattinam, Tamil Nadu. The said project continues to be on hold.

The Company's Mauritius subsidiary *Les Salines Development Ltd* ("LSDL") had lease Agreement for development of 24.6215 hectares of land for residential, commercial, leisure and shopping etc with Government of Mauritius (GOM) for a period of 99 years. In February 2015, suddenly Govt. of Mauritius had terminated the lease without assigning any reason.

After termination of the project, the Company had issued a notice of International arbitration to GOM under bilateral treaty between India and Mauritius for promotion and protection of investment in both countries. Currently the arbitration process is on whereby after formation of arbitration tribunal, the required documents, statements etc has been submitted to them. However, due to the COVID-19 pandemic the hearings have been delayed and are expected to be scheduled in FY 22.

The salient features of the financial statement of each of the subsidiaries and the associates as required under the Companies Act, 2013 is provided in **Annexure I** of the Board's Report. Pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of the subsidiaries are available on the website of the Company at www.pateleng.com.

In terms of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company has formulated a policy for determining 'material' subsidiaries and the same has been disclosed on Company's website at the following link: https://tinyurl.com/y4dpmjxu.

Merger of Subsidiaries

During the year under review, the Board of Directors at their meeting dated November 13, 2020 have approved merger by Absorption of 14 wholly owned subsidiaries viz Patel Energy Resources Ltd; PEL Power Ltd ; PEL Port Pvt Ltd; Patel Energy Projects Pvt Ltd ; Patel Energy Assignment Pvt Ltd ; Patel Energy Operations Pvt Ltd ; Jayshe Gas Power Pvt Ltd ; Patel Thermal Energy Pvt Ltd ; Patel Hydro Power Pvt Ltd ; Zeus Minerals Trading Pvt Ltd ; Patel Concrete & Quarries Pvt Ltd ; Patel Lands Ltd ; Patel Engineers Pvt Ltd and Phedra Projects Pvt Ltd , with the Company to combine business interest into one corporate entity, resulting in operational synergies, simplification, streamlining and optimization of the group structure and efficient administration. There shall not be any change in the shareholding pattern of the Company pursuant to the Merger as no shares are being issued by the Company in connection with the proposed Merger. The Company has intimated Stock Exchange and has filed the merger.

Particulars of Loans given, Investment made, Guarantees given and Securities provided

The Members may note that the Company is engaged in providing infrastructural facilities and hence, as per Section 186(11) of Companies Act, 2013, nothing in Section 186 shall apply to the Company except sub-section (1) of Section 186. Accordingly, a separate disclosure has not been given in the financial statements as required under Section 186(4) with regard to particulars of loan given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient of the loan or guarantee or security.

Related Party Transactions

Particulars of contract and arrangement with the Related Parties as referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 and forming part of this Report is provided in Financial Statement in Form AOC 2. All the Related Party Transactions as required under Ind AS-24 are reported in the Notes to the financial statements.

In accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated the Related Party Transactions policy and the same is uploaded on Company's website at the link: http://tinyurl.com/nrqnhhs.

Directors and Key Managerial Personnel

i. Independent Directors

During the year under review, Mr. Khizer Ahmed ceased to be the Independent Director of the Company effective from September 19, 2020 due to completion of his second term as an Independent Director. The Board acknowledged his sterling contribution arising out of his decades long rich experience to the Company and appreciated his contribution and efforts in steering the Company during difficult times as well.

The necessary declarations with respect to independence has been received from all the Independent Directors of the Company and that the Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013 as well as Code of Conduct for Directors and senior management personnel formulated by the Company.

ii. Other Directors / Key Managerial Personnel

Mr. Rupen Patel retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

During the year under review, Mr. C K Singh resigned as Whole time Director of the Company effective from June 30, 2020. Other than this change, there is no change in the Key Managerial Personnel (KMPs). Some of the KMPs of the Company are also the Directors/KMPs of the subsidiaries.

Number of Board Meetings

During the Financial year 2020-21, the meeting of the Board of Directors of the Company were held on June 26, 2020, August 28, 2020, November 13, 2020 and February 12, 2021.

Nomination and Remuneration Policy

The Company has formulated a Nomination and Remuneration Policy pursuant Section 178 of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The salient features of the Policy is enclosed as **Annexure II** to the Board's Report.

The policy was revised on August 28, 2020 to fall in line with the provisions /amendments in aforementioned Act/Regulations.

Evaluation of the performance of the Board

Based on Board's Evaluation Policy, the performance of the Board Directors, its Committees, Chairman, Executive Directors, Independent Directors and Non–executive Directors were evaluated pursuant to the Provisions of Companies Act, 2013 and SEBI LODR Regulations.

A separate meeting of independent directors was held during the year under review wherein, the Independent Directors evaluated the performance of the non-independent directors, the Board as a whole and the Chairman of the Company.

Internal Financial Controls and Risk Management

The Company has in place adequate internal financial control with reference to financial statement. The Company ensures operational efficiency, protection and conservation of resources, accuracy in financial reporting and compliance with laws and regulations. The internal control system is supported by an internal audit process.

Pursuant to SEBI (Listing Obligation and Disclosure Requirements) (Second Amendment) Regulations, 2021, the Risk Management Committee was reconstituted to frame, implement and monitor the risk management policy for the Company. The Committee shall be responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions shall be systematically addressed through mitigating actions on a continuing basis.

Audit Committee

The Audit Committee comprises of:

Mr. Khizer Ahmed – Independent Director (Chairman till September 19, 2020)

Mr. K. Ramasubramanian- Independent Director (Chairman from September 20, 2020)

Mrs. Geetha Sitaraman- Independent Director

Mr. Rupen Patel – Chairman & Managing Director

Whistle Blower Policy

The Company has adopted a new Whistle Blower Policy to comply with the principles of Business Responsibility and Sustainability Reporting (BRS reporting) as amended by SEBI. The Policy provides a formal mechanism for director(s) /stakeholder(s) to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Ethics and Code of Conduct. The Policy is uploaded on the Company's website at the link https://tinyurl.com/2sxkrt7t .

This Policy provides for adequate safeguards against victimization of director(s) /stakeholder(s) and provides opportunity to director(s)/ stakeholder(s) to access in good faith to the ABMS (Anti Bribery Management System) Committee in case they observe Unethical and Improper Practices or any other wrongful conduct in the Company.

The vigil mechanism is overseen by the Audit Committee. There are no complaints / grievances received from any Directors/stakeholders of the Company under this policy.

Corporate Social Responsibility

In accordance with the provisions of Section 135 of the Companies Act, 2013 (the Act), the Board of Directors of the Company has constituted the Corporate Social Responsibility Committee (CSR Committee) comprising of the following Directors as its members:

Mr. Rupen Patel	–	Chairman & Managing Director
Ms. Kavita Shirvaikar	-	Executive Director
Mr. Khizer Ahmed	-	Independent Director (till September 19, 2020)
Mr. K. Ramasubramanian	-	Independent Director (from September 20, 2020)

The Ministry of Corporate Affairs has notified the Companies (CSR Policy) Amendment Rules, 2021 vide a notification dated January 22, 2021, which seeks to amend the Companies (Corporate Social Responsibility Policy) Rules, 2014. Pursuant to the notification, the Company amended its CSR Policy as uploaded on the Company's website at the link https://tinyurl.com/ptvdfbs3.

Pursuant to Clause (o) of Sub-Section (3) of Section 134 of the Companies Act, 2013 and Rule 8 of Companies (Corporate Social Responsibility Rules, 2014, the CSR Report forms part of the Board Report as **Annexure III.** The Company has initiated spending on CSR activities as detailed in the CSR Report.

Statutory Audit

M/s T.P. Ostwal Associates LLP (FRN: 124444W/W100150), the Statutory Auditors of the Company hold office until the conclusion of the 73rd AGM to be held in the year 2022. Pursuant to Section 141 of the Act, the Auditors have represented that they are not disqualified and continue to be eligible to act as the Auditor of the Company.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

Pursuant to Section 143(12) of the Companies Act, 2013, the statutory Auditors have not reported any incident of the fraud to the Audit during the year under review.

Branch Audit

In accordance with the provisions of Section 139 and 143(8) of the Companies Act, 2013, vide postal ballot dated February 09, 2021, the Members have appointed M/s. N. H. Karnesh & Associates, Chartered Accountants as the Branch Auditor to audit the Realty Division of the Company to hold office till the conclusion of the ensuing Annual General Meeting. The Members approval is being sought for appointment of M/s. N. H. Karnesh & Associates as Branch Auditor for the Realty Division of the Company for a term of 5 years to hold office until the conclusion of the 77th AGM to be held in the year 2026.

The Company has appointed M/s. R K Agrawal & Associates, as Branch Auditor of the Company for Arun 3 H.E. Project, Nepal for 2020-21

Secretarial Audit

The Board of Directors appointed M/s. MMJB & Associates LLP, Company Secretaries to conduct Secretarial Audit of the Company for the financial year ended March 31, 2021. The Report of the Secretarial Auditor is provided as **Annexure IV** to this Report. The Secretarial Audit Report has no qualification / observation.

Cost Audit

As per Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a Cost Accountant. The Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment of M/s. Vaibhav M Gandhi & Associates, a firm of Cost Accountants in Practice (Registration No.003399) as the Cost Auditors of the Company to conduct cost audits under the Companies (Cost Records and Audit) Rules, 2014 for the year ending March 31, 2021. The Board on recommendations of the Audit Committee have approved the remuneration payable to the Cost Auditor subject to ratification of their remuneration by the Members at the forthcoming AGM. M/s Vaibhav M Gandhi & Associates have, under Section 139(1) of the Act and the Rules framed thereunder furnished a certificate of their eligibility and consent for appointment.

The cost accounts and records of the Company are duly prepared and maintained as required under Section 148(1) of Act.

Prevention of sexual harassment of Women at workplace

The Company has a Policy on Prevention of Sexual Harassment of Women at Workplace. No cases were reported during the year under review. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings/ Outgo

The particulars prescribed under Section 134 of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014, relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings / Outgo is provided as **Annexure V** to this Report.

Annual Return

In accordance with the provisions of the Companies Act, 2013 and the Rules framed thereunder, the Annual return in Form MGT -7 for the year 2020-21 is available on the website of the Company at the link https://tinyurl.com/tvn7duw2.

Disclosure under Section 197 of the Companies Act, 2013

The information as required under Section 197 of the Companies Act, 2013 (the Act) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, forms part of this Annual Report.

Disclosures as required under Rule 5(1) of the aforesaid Rules are provided as **Annexure VI** to the Report. In terms of the provisions of Section 136 the Act, any member interested in obtaining a copy of information under Rule 5(2) of the aforesaid Rules, may write to the Company Secretary at the Registered Office of the Company.

Corporate Governance

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Report on Corporate Governance together with the certificate issued by M/s. T. P Ostwal Associates LLP, the Statutory Auditors of the Company, on compliance in this regard forms part of the Annual Report.

Employee Stock Option / General Benefits Scheme

The Company currently has two Schemes for its employees viz Patel Engineering Employee Stock Option Plan and Patel Engineering General Employee Benefits Scheme 2015.

The applicable disclosure under SEBI (share Based employee Benefits) Regulations, 2014 ("the ESOP Regulations") as at March 31, 2021 is uploaded on the Company's website at the link https://tinyurl.com/r3b9m9ec.

A Certificate from the Auditors of the Company in terms of Regulation 13 of ESOP Regulations would be available at the ensuing AGM.

Other Disclosures

i) There are no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the Board's report.

ii) No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future during the year under review.

iii) The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the said Act or the details of deposits which are not in compliance with the Chapter V of the said Act is not applicable. The Company has accepted unsecured loan from its Directors.

iv) The Company has complied with the Secretarial Standard issued by the Institute of Company Secretaries of India

Directors' Responsibility Statement

Pursuant to Section 134 of the Companies Act, 2013, the Directors confirm that:

i. in preparation of the annual accounts, the applicable accounting standards have been followed;

ii. such accounting policies have been applied consistently and judgments estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company and of the Profit and Loss of the Company for the year ended March 31, 2021;

iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the annual accounts have been prepared on a going concern basis;

v. internal financial controls were followed by the Company and the same are adequate and were operating effectively; and

vi. proper systems has been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Insolvency and Bankruptcy

There is no Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016.

Acknowledgements

The Board of Directors wish to place on record their appreciation for continued support and co-operation by Shareholders, Financial Institutions, Banks, Government Authorities and other Stakeholders. Your Directors would also like to take this opportunity to express their appreciation for the dedicated efforts of the employees of the Company.

For and on behalf of the Board of Directors,
Patel Engineering Limited

Sd/-
Rupen Patel
Chairman & Managing Director
DIN: 00029583

Mumbai
June 11, 2021

Annexure I AOC - 1

Statement containing the salient features of the financial statements of subsidiaries/associates companies/joint ventures

(pursuant to first provision of sub section (3) of Section 129 of the Companies Act, 2013, read with rule 5 of the Company (Accounts) Rules, 2014 - AOC -1)

PART A: SUBSIDIARIES

₹ in Million

Sr. No.	Name of the Companies	Date since Subsidiary was acquired	Reporting Period for Subsidiary concerned, if different from the Holding Company's Reporting Period	Exchange rate	Issued and subscribed share capital	Reserves	Total Liabilities	Total Assets	Investments	Turnover	Proft / (Loss) before Taxation	Provision for Taxation	Proft / (Loss) after Taxation	Proposed Dividend	Country	Investments by PEL (Directly/ Indirectly)	% of Share-holding
DIRECT SUBSIDIARIES																	
1	Zeus Minerals Trading Pvt. Ltd.	1-Apr-2009	-	INR	0.60	(0.46)	187.18	187.18	-	-	(0.03)	-	(0.03)	NIL	India	0.60	100
2	Patel Concrete & Quarries Pvt. Ltd.	10-Mar-2008	-	INR	1.00	(0.45)	193.03	193.03	-	-	(0.03)	-	(0.03)	NIL	India	1.00	100
3	Friends Nirman Pvt. Ltd.	14-Jun-2010	-	INR	0.33	21.56	22.17	22.17	-	-	(0.52)	-	(0.52)	NIL	India	0.33	100
4	Energy Design Pvt. Ltd.	15-Jun-2009	-	INR	0.50	(69.98)	2.19	2.19	-	0.01	(0.14)	-	(0.14)	NIL	India	0.50	100
5	Shreeanant Constructions Private Limited	10-Dec-2005	-	INR	0.10	(46.83)	68.52	68.52	-	-	(0.10)	-	(0.10)	NIL	India	0.10	100
6	Patel Lands Ltd.	25-Aug-2010	-	INR	0.50	(0.21)	54.69	54.69	-	-	(0.02)	-	(0.02)	NIL	India	0.50	100
7	Michigan Engineers Pvt. Ltd.	1-May-1973	-	INR	17.36	1,408.84	2,816.18	2,816.18	-	2,087.89	206.55	49.43	157.12	NIL	India	0.89	51
8	Patel Engineering Infrastructure Ltd.	30-Jun-2006	-	INR	100.00	8.69	807.63	807.63	100.06	-	-	-	-	NIL	India	100.00	100
9	Patel Energy Resources Ltd.	18-Mar-2008	-	INR	4,128.88	(1,724.62)	7,291.94	7,291.94	2,021.14	0.57	0.15	-	0.15	NIL	India	4,128.88	100
10	Pandora Infra Pvt. Ltd.	28-Jun-2012	-	INR	70.00	(2.78)	690.57	690.57	-	-	(0.62)	-	(0.62)	NIL	India	70.00	100
11	Patel Engineers Pvt. Ltd.	2-Jul-2012	-	INR	91.00	(11.05)	84.03	84.03	83.96	-	(12.60)	-	(12.60)	NIL	India	91.00	100
12	Patel Patron Pvt. Ltd.	28-Jun-2012	-	INR	140.70	(2.05)	228.56	228.56	-	-	(0.10)	-	(0.10)	NIL	India	140.70	100
13	Vismaya Constructions Pvt. Ltd.	21-May-2007	-	INR	55.10	(1.21)	139.83	139.83	-	0.08	0.02	-	0.02	NIL	India	55.10	100
14	Bhooma Realties Pvt. Ltd.	22-May-2007	-	INR	72.10	(76.77)	480.68	480.68	-	-	(129.22)	(0.56)	(128.67)	NIL	India	72.10	100
15	Shashvat Land Projects Pvt. Ltd.	21-Jun-2007	-	INR	78.80	(1.52)	511.76	511.76	-	0.04	(0.13)	-	(0.13)	NIL	India	78.80	100
16	Apollo Buildwell Pvt. Ltd.	18-Jan-2007	-	INR	0.50	(37.55)	139.81	139.81	0.01	-	(0.04)	-	(0.04)	NIL	India	0.50	100
17	Arsen Infra Pvt. Ltd.	5-Sep-2006	-	INR	0.50	1.40	16.17	16.17	-	2.59	1.69	-	1.69	NIL	India	0.50	100
18	Hera Realcon Pvt. Ltd.	28-Dec-2006	-	INR	0.50	(1.59)	0.22	0.22	-	-	(0.08)	-	(0.08)	NIL	India	0.50	100
19	Lucina Realtors Pvt. Ltd.	30-Dec-2006	-	INR	0.50	(0.05)	0.48	0.48	-	-	(0.05)	-	(0.05)	NIL	India	0.50	100
20	PBSR Developers Pvt. Ltd.	1-Feb-2012	-	INR	0.10	(48.45)	3,915.22	3,915.22	-	173.56	1.10	(10.08)	11.18	NIL	India	0.10	100
21	Patel KNR Infrastructure Limited	26-Jun-2006	-	INR	370.00	153.92	2,856.06	2,856.06	-	374.16	75.05	18.36	56.69	NIL	India	22.20	60
22	Hampus Infrastructure Limited	27-Mar-2018	-	INR	0.10	(0.28)	0.05	0.05	-	-	(0.10)	-	(0.10)	Nil	India	0.10	100
23	Waterfront Developers Ltd.	18-Jan-2007	-	INR	0.16	(6.85)	1,222.55	1,222.55	0.10	68.75	(197.83)	-	(197.83)	NIL	Mauritius	0.16	100
24	Patel Engineering (Singapore) Pte Ltd.*	29-Aug-2007	-	1 USD= 73.297281 INR	173.35	(935.32)	209.62	209.62	-	5.96	5.00	-	5.00	NIL	Singapore	173.35	100
25	Patel Engineering (Mauritius) Ltd.*	18-Jan-2007	-	1 USD= 73.297281 INR	36.65	(42.41)	355.67	355.67	34.08	0.24	(22.20)	-	(22.20)	NIL	Mauritius	36.65	100
26	Patel Engineering Inc.*	30-Sep-1999	-	1 USD= 73.297281 INR	588.02	(539.47)	81.16	81.16	1.16	-	(115.26)	-	(115.26)	NIL	USA	588.02	100
27	Patel Engineering Lanka (Pvt.) Ltd.*	16-Jan-2012	-	1 LKR= 0.367786 INR	11.21	(15.42)	40.66	40.66	4.04	-	(0.03)	-	(0.03)	NIL	Srilanka	11.21	100
SUBSIDIARY OF PATEL ENGINEERS PVT. LTD																	
28	Phedra Projects Pvt. Ltd.	5-Sep-2006	-	INR	27.71	(0.45)	48.25	48.25	23.39	-	(6.00)	(0.04)	(5.95)	NIL	India	27.71	100
SUBSIDIARIES OF PATEL ENERGY RESOURCES LTD.																	
29	Patel Energy Ltd.	17-Sep-1996	-	INR	186.45	(20.96)	1,211.81	1,211.81	-	-	-	-	-	NIL	India	186.45	100
30	Patel Energy Operations Pvt. Ltd.	3-Jun-2008	-	INR	0.73	-	88.66	88.66	-	-	-	-	-	NIL	India	0.73	100
31	Patel Energy Projects Pvt. Ltd.	3-Jun-2008	-	INR	0.10	-	77.69	77.69	-	-	-	-	-	NIL	India	0.10	100
32	Patel Energy Assignment Pvt. Ltd.	26-Jun-2008	-	INR	0.10	-	58.85	58.85	-	-	-	-	-	NIL	India	0.10	100
33	PEL Power Ltd.	5-Sep-2006	-	INR	1,380.81	(0.29)	5,601.88	5,601.88	-	-	-	-	-	NIL	India	1,380.81	100
34	PEL Port Pvt. Ltd.	17-Jul-2008	-	INR	89.46	-	91.76	91.76	-	-	-	-	-	NIL	India	89.46	100
35	Patel Thermal Energy Pvt. Ltd.	18-Feb-2011	-	INR	0.50	-	54.29	54.29	-	-	-	-	-	NIL	India	0.50	100
36	Jayshe Gas Power Pvt. Ltd.	24-Dec-2010	-	INR	0.10	-	55.76	55.76	-	-	-	-	-	NIL	India	0.10	100
37	Patel Hydro Power Pvt. Ltd.	29-Nov-2010	-	INR	362.88	(582.09)	980.87	980.87	-	-	-	-	-	NIL	India	362.88	100
38	Naulo Nepal Hydro Electric Pvt. Ltd.	2-Oct-2008	-	1 NPR = 0.625 INR					-	-	-	-	-	NIL	Nepal		

₹ in Million

Sr. No.	Name of the Companies	Date since Subsidiary was acquired	Reporting Period for Subsidiary concerned, if different from the Holding Company's Reporting Period	Exchange rate	Issued and subscribed share capital	Reserves	Total Liabilities	Total Assets	Investments	Turnover	Proft / (Loss) before Taxation	Provision for Taxation	Proft / (Loss) after Taxation	Proposed Dividend	Country	Investments by PEL (Directly/ Indirectly)	% of Share-holding
SUBSIDIARIES OF PATEL HYDRO POWER PVT. LTD.																	
39	Dirang Energy Pvt. Ltd.	23-Jun-2008	-	INR	710.00	1.84	723.40	723.40	-	-	-	-	-	NIL	India	710.00	100
40	West Kameng Energy Pvt. Ltd.	26-Jun-2008	-	INR	0.10	-	225.11	225.11	-	-	-	-	-	NIL	India	0.10	100
41	Meyong Hydro Power Pvt. Ltd.	26-Jun-2008	-	INR	0.73	-	248.09	248.09	-	-	-	-	-	NIL	India	0.73	100
42	Digin Hydro Power Pvt. Ltd.	2-Jul-2008	-	INR	0.10	-	289.82	289.82	-	-	-	-	-	NIL	India	0.10	100
43	Saskang Rong Energy Pvt. Ltd.	19-Aug-2008	-	INR	4.78	-	228.88	228.88	-	-	-	-	-	NIL	India	4.78	100
SUBSIDIARY OF WATERFRONT DEVELOPERS LTD																	
44	Les Salines Development Ltd.*	28-Mar-2008	-	INR	0.13	(463.17)	897.33	897.33	0.00	0.51	(197.83)	-	(197.83)	NIL	Mauritius	0.13	100
SUBSIDIARY OF LES SALINES DEVELOPMENT LIMITED																	
45	La Bourgade Development Ltd.*	14-Jul-2008	-	INR	0.00	(2.34)	0.05	0.05	-	-	(0.31)	-	(0.31)	NIL	Mauritius	0.00	100
46	Ville Magnifique Development Ltd.*	14-Jul-2008	-	INR	0.00	(2.17)	0.00	0.00	-	-	(0.19)	-	(0.19)	NIL	Mauritius	0.00	100
47	Sur La Plage Development Ltd.*	18-Jul-2008	-	INR	0.00	(2.32)	0.00	0.00	-	-	(0.26)	-	(0.26)	NIL	Mauritius	0.00	100
SUBSIDIARIES OF PATEL ENGINEERING (SINGAPORE) PTE LTD.																	
48	Patel Surya (Singapore) Pte Ltd.*	10-Dec-2007	-	1 USD= 73.297281 INR	73.30	(73.30)	-	-	-		236.73	-	236.73	NIL	Singapore	43.98	60
49	PT Patel Surya Jaya *	10-Oct-2008	-	1 IDR = 0.0050 INR	13.72	(195.37)	723.88	723.88	-	-	62.25	-	62.25	NIL	Indonesia	8.23	60
50	PT Patel Surya Minerals *	12-Nov-2008	-	1 IDR = 0.0050 INR	13.70	66.03	210.49	210.49	-	-	2,723.78	-	2,723.78	NIL	Indonesia	8.22	60
51	PT Surpat Geo Minerals *	7-Apr-2011	-	1 IDR = 0.0050 INR	27.58	137.31	236.72	236.72	-	-	293.71	-	293.71	NIL	Indonesia	16.55	60
52	PT PEL Minerals Resources *	3-Feb-2009	-	1 USD= 73.297281 INR	13.95	(34.92)	38.19	38.19	27.62	1.38	1.38	-	1.38	NIL	Indonesia	13.95	100
SUBSIDIARY OF PATEL SURYA (SINGAPORE) PTE LTD																	
53	PT Surya Geo Minerals *	23-May-2011	-	1 IDR = 0.0050 INR	27.58	137.31	236.72	236.72	-	-	293.71	-	293.71	NIL	Indonesia	16.55	60
SUBSIDIARY OF PT PEL MINERAL RESOURCES																	
54	PT Patel Engineering Indonesia *	23-May-2011	-	1 IDR = 0.0050 INR	27.58	(11.17)	41.10	41.10	-	-	2.19	-	2.19	NIL	Indonesia	27.58	100
SUBSIDIARY OF PATEL ENGINEERING (MAURITIUS) LTD																	
55	Patel Mining (Mauritius) Ltd.*	12-Jun-2008	-	1 USD= 73.297281 INR	34.08	(218.25)	121.82	121.82	197.33	-	(0.17)	-	(0.17)	NIL	Mauritius	34.08	100
SUBSIDIARY OF PATEL MINING (MAURITIUS) LTD																	
56	Accord Mines Venture Lda *	7-Jul-2007	-	1 MZN = 1.0704 INR	0.03	(13.92)	-	-	-	-	(0.26)	-	(0.26)	NIL	Mozambique	0.03	100
57	Assignment Mozambique Lda *	7-Jul-2007	-	1 MZN = 1.0704 INR	0.03	(2.76)	11.06	11.06	-	-	(0.28)	-	(0.28)	NIL	Mozambique	0.03	100
58	Chivarro Mines Mozambique Lda *	7-Jul-2007	-	1 MZN = 1.0704 INR	0.03	(3.27)	-	-	-	-	(0.04)	-	(0.04)	NIL	Mozambique	0.03	100
59	Enrich Mining Vision Lda *	7-Jul-2007	-	1 MZN = 1.0704 INR	0.03	(22.50)	-	-	-	-	(0.47)	-	(0.47)	NIL	Mozambique	0.03	100
60	Fortune Mines Concession Lda *	7-Jul-2007	-	1 MZN = 1.0704 INR	0.03	(35.04)	2.45	2.45		-	(0.58)	-	(0.58)	NIL	Mozambique	0.03	100
61	Metalline Mines Works Lda *	7-Jul-2007	-	1 MZN = 1.0704 INR	0.03	(13.12)	0.07	0.07	-	-	(0.26)	-	(0.26)	NIL	Mozambique	0.03	100
62	Netcore Mining Operations Lda *	7-Jul-2007	-	1 MZN = 1.0704 INR	0.03	(1.76)	0.24	0.24	-	-	0.05	-	0.05	NIL	Mozambique	0.03	100
63	Omini Mines Enterprises Lda *	7-Jul-2007	-	1 MZN = 1.0704 INR	0.03	(2.05)	0.32	0.32	-	-	0.06	-	0.06	NIL	Mozambique	0.03	100
64	Patel Infrastructure, Lda *	7-Jul-2007	-	1 MZN = 1.0704 INR	0.03	(14.86)	-	-	-	-	-	-	-	NIL	Mozambique	0.03	100
65	Patel Mining Priviledge, Lda*	7-Jul-2007	-	1 MZN = 1.0704 INR	0.03	(21.71)	175.52	175.52	-	-	(5.06)	-	(5.06)	NIL	Mozambique	0.03	100
66	Quest Mining Activities, Lda*	7-Jul-2007	-	1 MZN = 1.0704 INR	0.03	(2.37)	0.00	0.00	-	-	(0.06)	-	(0.06)	NIL	Mozambique	0.03	100
67	Trend Mining Projects Lda*	7-Jul-2007	-	1 MZN = 1.0704 INR	0.03	(15.21)	-	-	-	-	(0.26)	-	(0.26)	NIL	Mozambique	0.03	100
SUBSIDIARY OF PATEL ENGINEERING INC.																	
68	ASI Global LLC*	15-Aug-2009	-	1 USD= 73.297281 INR	-	(0.90)	0.90	0.90	0.59		(0.04)		(0.04)	Nil	USA		

** Financial information is based on unaudited results*

Note

1 the Financial year for all the subsidiaries is March 31
2 proposed dividend from any of the subsidiaries is nil
3 ASI Constructors Inc have not been considered in the above Table as the same have not been consolidated as per Ind AS-110
1 USD = 73.297281 INR
1 LKR = 0.367786 INR
1 MZN = 1.0704 INR
1 IDR = 0.0050 INR

PART B: ASSOCIATES AND JOINT VENTURES

₹ in Million

NAME OF ASSOCIATES AND JOINT VENTURES	ASSOCIATE COMPANY				JOINT VENTURES									
	Raichur Sholapur Transmission Co. Pvt. Ltd.	Bellona Estate Developers Ltd.	Hitodi Infrastructure Pvt. Ltd.	ACP Tollways Pvt. Ltd.	Age Patel JV	Patel Michigan JV	Patel SEW JV	Patel-Avantika-Deepika-BHEL	Patel - Varks - Precision Consortium	Patel - Varks - JV	Cico Patel JV	Patel KNR JV	KNR Patel JV	Era Patel Advance JV**
1. Latest Audited Balance Sheet Date	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21
2. Date on which the Associate or Joint Venture was associated or acquired	7-Jan-11	30-Dec-06	14-Jun-17	5-Dec-11	31-Mar-16	12-Jul-06	23-Jan-08	30-Sep-08	18-Dec-08	6-Dec-07	27-Mar-13	12-Jun-01	6-Jan-01	10-Jul-06
3. Shares of Associate or Joint Ventures held by the company on the year end:														
No.	26,672,000	250,000	24,019,600	84,95,040	-	-	-	-	-	-	-	-	-	-
Amount of Investment in Associates or Joint Venture (Rs. in Million)	266.72	2.5	240.196	2654.7	(143.44)	90.67	1,111.65	8.24	1.12	1.84	70.07	53.35	109.27	0.43
Extent of Holding (in percentage)	33.34%	49.00%	49.00%	32%	49%	10%	60%	52.83%	60%	65%	99.99%	50%	49%	30%
4. Description of how there is significant influence	since Shareholding is more than 20%	since Shareholding is more than 20%	since Shareholding is more than 20%	since Shareholding is more than 20%	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control
5. Reason why the associate/joint venture is not consolidated	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
6. Networth attributable to shareholding as per latest audited Balance Sheet	239.45	(957.74)	(6,160.04)	1110.5	(143.44)	90.67	1,111.65	8.24	1.12	1.84	70.07	53.35	109.27	0.43
7. Profit or Loss for the year: (i+ii)	(0.26)	(0.51)	(1,054.02)	(242.53)	3.81	0.35	7.14	3.45	(0.01)	(0.01)	0.49	14.02	(0.14)	-
i. Considered in Consolidation				(242.53)	3.81	0.35	7.14	3.45	(0.01)	(0.01)	0.49	14.02	(0.14)	
ii. Not Considered in Consolidation	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A

*** Financial information is based on unaudited results*

₹ in Million

NAME OF ASSOCIATES AND JOINT VENTURES	JOINT VENTURES													
	Patel Apco JV**	Patel Soma JV**	PEL-PPCPL-HCPL JV	Patel - UEIPL	PEL Gond JV	PEL Parbati JV	HES Suthaliya JV	NEC PEL JV	Era Patel Advance Kiran JV**	Onycon Entrprise	Patel Siddhivinayak JV**	Patel VI JV	Patel RBG JV	Patel SA JV**
1. Latest Audited Balance Sheet Date	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21
2. Date on which the Associate or Joint Venture was associated or acquired	4-Dec-12	25-Feb-05	20-Apr-17	10-Dec-14	13-Nov-18	30-Apr-19	30-Apr-19	7-Nov-19	4-Jan-07	1-Oct-18	12-Jun-08	21-Jan-18	11-Jun-19	6-Feb-06
3. Shares of Associate or Joint Ventures held by the company on the year end:														
No.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount of Investment in Associates or Joint Venture (Rs. in Million)	-	126.99	-	-	0.44	(0.03)	(0.03)	0.01	1.61	6.15	0.77	(1.17)	-	-
Extent of Holding (in percentage)	50%	50%	51%	60%	45%	52%	45%	45%	47%	100%	51%	51%	51%	75%
4. Description of how there is significant influence	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control
5. Reason why the associate/joint venture is not consolidated	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
6. Networth attributable to shareholding as per latest audited Balance Sheet	-	126.99	-	-	0.44	(0.03)	(0.03)	0.01	1.61	6.15	0.77	(1.17)	-	-
7. Profit or Loss for the year: (i+ii)	-	(0.04)	18.84	0.83	(0.03)	(0.02)	(0.01)	0.01	-	4.38	-	9.19	-	-
i. Considered in Consolidation		(0.04)	18.84	0.83	(0.03)	(0.02)	(0.01)	0.01	-	4.38	-	9.19	-	-
ii. Not Considered in Consolidation	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A

*** Financial information is based on unaudited results*

Annexure II – Nomination and Remuneration policy

Objective

Patel Engineering Limited ('the Company') has adopted this Policy drafted by the Nomination and Remuneration Committee, upon the recommendation of the Board and the said Policy is in compliance with the requirements of Section 178 of the Companies Act, 2013 and rules thereunder('the Act') and Regulation 19 of the SEBI LODR, 2015.

The key objective of the policy would be:

a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management in accordance with the criteria laid down;

b) To formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees;

c) Formulation of criteria for evaluation of Independent Director and the Board;

d) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board and to advise Board whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

e) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management;

f) To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations;

g) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage;

h) To devise a policy on Board diversity;

i) To develop a succession plan for the Board and to regularly review the plan.

Scope and Applicability

The policy shall apply to

a) Directors (Executive, Non-Executive and Independent);

b) Key Managerial Person;

c) Senior Management Personnel.

Term/Tenure

a) **Term for Managing Director/Whole time Director**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) **Term for Independent Director**

i) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

ii) No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

iii) At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director.

Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

The Committee shall evaluate the performance of Directors taking into account the various parameters such as:

- Attendance at Board Meeting
- Participation in discussion
- Contribution in decision making

While evaluation is been done, the Director who is been evaluated shall not participate in the discussion. The recommendations of the Committee will be sent to the Board for its review.

Retirement

The Director/ KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Removal

The Committee may recommend, to the Board with reasons recorded in writing, removal of Director, KMP or Senior Management Personnel subject to the provisions of the Act and the rules made thereunder and all other applicable Acts, Rules and Regulations, if any.

Policy for Remuneration of Director/KMP/Senior Management Personnel

Remuneration for Executive and Whole time Directors

The remuneration payable to the whole time directors shall be determined by the company as per the Articles of the company and the provisions of the Act and the rules made thereunder. The remuneration so determined shall be proposed to the board for approval and shall be subject to the approval of the shareholders/central government as applicable, wherever required.

Increments to the remuneration shall be recommended by the committee to the board which shall be well within the slabs as approved by the shareholders for the whole time director.

Remuneration for Non-Executive and Independent Directors

The remuneration to Non-Executive independent directors shall be as per the provisions of the Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

Criteria for making payments to Non-Executive Directors:

Criteria of making payments to Non-Executive Directors will be decided by the Board, it can be on the basis of:

- ➢ Contribution during the Meeting.
- ➢ Active Participation in strategic decision making.

Remuneration to Key Management Personnel and Senior Management Personnel

The remuneration of the Key Management Personnel and Senior Management Personnel shall be drafted by the Human resource team of the company and shall be presented to the committee for its perusal and approval.

Conclusion

The committee shall have authority to modify or waive any procedural requirements of this policy.

In the event of any conflict between the provisions of this Policy and provisions of the SEBI LODR, 2015 or the Act and Rules framed thereunder or any other applicable laws for the time being in force, the later shall prevail over the Policy.

This Policy or the relevant provisions of this policy shall be disseminated to all concerned employees of the Company and shall also be uploaded on the intra-net and website of the Company.

The policy shall be amended as required from time to time in case of any changes in the SEBI LODR, 2015 or/and the Act and the rules made thereunder.

Annexure III - Annual Report on Corporate Social Responsibility (CSR) for the financial year 2020 -21

1. **Brief outline on CSR Policy of the Company**

   Patel Engineering Limited (PEL) as a Company strives to be a responsible organization that has minimal negative impact on the global or local environment, community, society, or economy - a business that strives to meet the triple bottom line. To carry forward this endeavor, the Company has framed a CSR (Corporate Social Responsibility) policy and frame work, which elaborates its intent, mechanism and monitoring methodology towards CSR.

   The CSR Policy of the Company lays down the guidelines to enhance its relationship with society by way of Environmental, Social and Economic contribution and by giving back to the society for the resources it used to flourish by adoption of appropriate business processes & strategies and details the mechanisms for undertaking various programmes in accordance with Section 135 of the Companies Act, 2013 (the Act) for the benefit of the community.

   In FY 2020-21, the Company has undertaken CSR activities at its project sites and also through external agency. The CSR initiatives of the Company are provided in detail under the Report of CSR forming part of the Board's report. Major CSR initiatives undertaken by the Company during FY 2020-21 are local area development through restoration of public roads and bridge in and around Company's Project sites and extending support to the locals/ villagers around the Project sites during the ongoing Covid Pandemic by providing ambulance services, medicines, sanitizing materials, beds etc. to help them overcome the situation. Going forward, in FY 2021- 22, the Company strives to work with the locals in and around few of its Project sites for local area development and also undertake any Covid related help required by the locals on an ongoing basis.

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Khizer Ahmed@	Independent, Non- Executive Director	02	01*
1	Mr. K Ramasubramanian*	Independent Non-Executive Director	02	01*
2	Mr. Rupen Patel	Chairman & Managing Director	02	02
3	Ms. Kavita Shirvaikar	Whole time Director & CFO	02	02

@Mr. Khizer Ahmed ceased to be Independent Director w.e.f. September 19, 2020.

**Mr. K. Ramasubramanian was appointed as Chairman of the Committee by the Board of Directors vide their meeting dated August 28, 2020.*

3. Provide the web-link where composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company: https://tinyurl.com/ebkhbps7

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any :

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
Not Applicable			

6. Average net profit of the company as per section 135(5): ₹ 1,050.39 Million

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 21.01 million

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

   (c) Amount required to be set off for the financial year, if any: Nil

   (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 21.01 million

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (₹ in million)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
98.86	NIL	Not Applicable	NIL	NIL	Not Applicable

   (b) Details of CSR amount spent against ongoing projects for the financial year:

Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
Not Applicable												

   (c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ In million)	Mode of implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
						95.62	[See Annexure III (a)]		

   (d) Amount spent in Administrative Overheads: ₹ 3.24 million

   (e) Amount spent on Impact Assessment, if applicable: Not Applicable

   (f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 98.86 million

   (g) Excess amount for set off, if any:

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	NIL
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years:

(₹ in Million)

Sl. No.	Particular	1	2	3	
1.	**Preceding Financial Year.**	2017-18	2018-19	2019-20	**Total**
2.	**Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)**	Nil	Nil	Nil	**Nil**
3.	**Amount spent in the reporting Financial Year (in ₹).**	Nil	32.7	98.86	**131.56**
4.	**Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.** **i. Name of the Fund** **ii. Amount (in ₹).** **iii. Date of transfer**	Nil	Nil	Nil	**Nil**
5.	**Amount remaining to be spent in succeeding financial years. (in ₹)**	67.97*	4.37	Nil	**Nil**

**includes unspent amounts of Financial Years 2013-14, 2014-15, 2015-16 and 2016-17*

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project Completed	Ongoing
Not Applicable									

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

(a)	Date of creation or acquisition of the capital asset(s).	Not Applicable
(b)	Amount of CSR spent for creation or acquisition of capital asset.	
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):
Not Applicable

Sd/-
Rupen Patel
(Chairman & Managing Director)
DIN: 00029583

Sd/-
K Ramasubramanian
(Chairman - CSR Committee & Independent Director).
DIN: 01623890

Annexure III(a)

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project	Amount spent for the project (₹)	Mode of implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State & District			Name	CSR Registration number
I	**USBRL TUNNEL T2 PROJECT, J&K**							
1	Local Area developments works	(x)	Yes	Jammu & Kashmir (Reasi)	47,47,105	Yes	NA	NA
2	Vehicles provided during COVID-19 Pandemic for transportation of local villagers and for essential services	(xii)	Yes	Jammu & Kashmir (Reasi)	17,82,000	Yes	NA	NA
3	Medicines, Masks & Sanitising materials provided during COVID-19 Pandemic to local villagers	(xii)	Yes	Jammu & Kashmir (Reasi)	10,03,651	Yes	NA	NA
4	Beds, matress & bedsheets to District Administration for Quarantine Centre	(xii)	Yes	Jammu & Kashmir (Reasi)	1,80,000	Yes	NA	NA
	Total (I)				**77,12,757**			
II	**USBRL T 15 PROJECT**							
1	Relief to local people by supplying potable/drinking waters	(i)	Yes	Jammu & Kashmir (Ramban)	4136308	Yes	NA	NA
2	Medical emergerencies by providing Ambulance to local people during COVID Pandemic	(i)	Yes	Jammu & Kashmir (Ramban)	1245160.9	Yes	NA	NA
3	Transportation services during COVID Pandemic	(ii)	Yes	Jammu & Kashmir (Ramban)	1371949.63	Yes	NA	NA
4	Retoration of Public Roads by removing heavy land slides and frequent repairs of damage road for public conveyance for local villagers	(xii)	Yes	Jammu & Kashmir (Ramban)	4534829.06	Yes	NA	NA
	Total (II)				**1,12,88,248**			
III	**Shongtong Karcham HEP**							
1	Food expenses for Covid Patient during COVID Pandemic	(xii)	Yes	Himachal Pradesh (Kinnaur)	17,00,205	Yes	NA	NA
2	Expenses towards distribution of Sand & Aggregate to Local people	(x)	Yes	Himachal Pradesh (Kinnaur)	46,53,937	Yes	NA	NA
3	Expenses towards distribution of Sand & Aggregate to Local Administration	(x)	Yes	Himachal Pradesh (Kinnaur)	4,75,063	Yes	NA	NA
4	Vehicle provided to the local administration for monitoring covid situation	(xii)	Yes	Himachal Pradesh (Kinnaur)	2,95,000	Yes	NA	NA
5	Wages for medical staff engaged during COVID Pandemic	(xii)	Yes	Himachal Pradesh (Kinnaur)	10,86,613	Yes	NA	NA
6	Medicine distributed during covid Pandemic	(xii)	Yes	Himachal Pradesh (Kinnaur)	2,39,019	Yes	NA	NA
7	Providing Vehicles to Covid Patient	(xii)	Yes	Himachal Pradesh (Kinnaur)	4,26,800	Yes	NA	NA
8	Restoration of Rispa Nallah	(i)	Yes	Himachal Pradesh (Kinnaur)	1,51,02,800	Yes	NA	NA
9	Restoration of Bridge at Tangling Village	(x)	Yes	Himachal Pradesh (Kinnaur)	24,48,230	Yes	NA	NA
10	Providing Ambulance for COVID Patient	(xii)	Yes	Himachal Pradesh (Kinnaur)	33,60,000	Yes	NA	NA
11	Providing Beds for Covid Patient	(xii)	Yes	Himachal Pradesh (Kinnaur)	74,765	Yes	NA	NA

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project	Amount spent for the project (₹)	Mode of implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State & District			Name	CSR Registration number
	Total (III)				**2,98,62,432**			
IV	**Kunerjvi Trust, Rajkot**							
1	Health Care: Distribution of medicines and other medical supplies for prevention, cure and treatment of patients affected by COVID 19	(i)	No	State of Gujarat (Gandhinagar, Nadiad, Bhavnagar, Vadodara) - Karnataka (Bangalore, Mysore), (Tiruppur, Thrissur,) - State of Delhi (Noida, Ghaziabad, Faridabad) - State of Hyderabad (Secundarabad, Bidar, Warangal & Karimnagar) - State of Bhuj (Bagda, Ber Moti & Bharasar) - State of Rajasthan ((Bagrana, Balloopura, Chak Barh) - State of Tamil Nadu (Edyanchavadi, Kadapakkam, Ernavoor. Puzhal) - State of Tamil Nadu (Edyanchavadi, Kadapakkam, Ernavoor. Puzhal) - State of Uttara Khand ((Sualkuchi, Saraighat, Athgaon) - State of Chandighar (Tatarpur, Sarangpur, Darwa, Attawa) - State of MP (Bhopal, Agra, Jafrabad, Ajampur, Barodi) - State of Ranichi (Dhanbad, Chatra, Deoghar, Sahibganj) - State of Maharashtra (Aurangabad , Jalna, Ahmadnagar, Dhule, Malegaon) (Chandrapur, Amravati, Akola) - State of West Bengal (Haora, Baranagar, Panihati, Barasat) - State of Orissa (Cuttack, Raurkela, Brahmapur)	2,62,72,077	No	Shri Kunvarji Mulji Kelavani Tust	
2	Awareness programmes viz health and hygiene Community Health Centres	(ii)	No	Gujarat (Hazira), Maharashtra (Pune)	5,00,000	No	Shri Kunvarji Mulji Kelavani Tust	
3	Women empowerment through vocational training	(iii)	No	Gujarat (Hazira, Ahmedabad), Orissa (Raigada), West Bengal (Kolkata)	15,00,000	No	Shri Kunvarji Mulji Kelavani Tust	
4	Providing needy artist financial and in kind support whose livelihood is affected due to COVID 19.	(xii)	No	State of Madhya Pradesh -State of Uttar Pradesh, (Varanasi, Allahbad, Mirzapur,Jaunpur) - State of Maharashtra, (Mumbai,Palghar,NAgpur,Ratnagiri,Thane,Dombivali/Kalyan & Other interior parts of Maharashtra - State of Karnataka , (Banglore & Raichur) - State of Telangana	1,84,90,485	No	Shri Kunvarji Mulji Kelavani Tust	
	Total (III)				**4,67,62,562**			
	Total (I+II+III+IV)				**9,56,25,999**			

Annexure IV - Secretarial Audit Report for the financial year ended March 31, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Patel Engineering Limited
Patel Estate, S V Road,
Jogeshwari (West) Mumbai 400102.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Patel Engineering Limited** (hereinafter referred to as "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2021 (hereinafter referred to as **"the Audit period"**) complied with the statutory provisions listed hereunder.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment **(External Commercial Borrowing not applicable to the Company during the Audit Period)**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**'):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the Audit Period);**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period);**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)** and;

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period).**

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, etc.

We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with Real Estate (Regulation and Development) Act, 2016 to the extent applicable.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has:

1. allotted 91,99,470 Equity shares against conversion of 16,66,94,397 Optionally Convertible Preference shares of ₹ 1 each, at a conversion price of ₹ 18.12 per share;

2. allotted 33,82,949 and 92,55,751 Equity shares against conversion of debt into equity shares to Axis Bank Ltd and IDBI Bank Limited respectively, at conversion price of ₹ 14.78 per share;

3. allotted 2,19,04,762 and 1,35,31,800 Equity shares against conversion of the part debt of PTC India Financial Services Limited and IDBI Bank Limited respectively, at conversion price of ₹ 14.78 per share.

For **MMJB and Associates LLP**
Company Secretaries

Sd/-
Deepti Joshi
Designated Partner
FCS No. 8167
CP No. 8968
Peer Review No. L2020MH006700
UDIN: F008167C000446605

Place: Mumbai
Date: 11.06.2021

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To
The Members,
Patel Engineering Limited
Patel Estate, S V Road,
Jogeshwari (West) Mumbai 400102.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **MMJB and Associates LLP**
Company Secretaries

Sd/-
Deepti Joshi
Designated Partner
FCS No. 8167
CP No. 8968
Peer Review No. L2020MH006700
UDIN: F008167C000446605

Place: Mumbai
Date: 11.06.2021

Annexure V - Conservation of Energy, Technology Absorption and Foreign Exchange Earnings/ Outgo

Annexure V - Conservation of Energy, Technology Absorption and Foreign Exchange Earnings/ Outgo

Information as per section 134 read with Rule 8 of the Companies (Accounts) Rules, 2014 for the financial year ended March 31, 2021.

(A) Conservation of Energy

"Energy conservation" means to reduce the quantity of energy that is used for different purposes. Company is continuing with the following steps towards energy saving measures along with utilization of alternate source of energy.

- Optimum energy efficient ventilation design through Variable Flexible Drive (VFD) starting system for all ventilation fans and EOT/ Gantry cranes, adoption of larger diameter flexible duct, use of customized shape of ventilation duct, etc.
- Use of optimum electric compressors which matches the exact requirement. Hence saving in power consumption.
- Use of duel power tunnel mucking loaders in tunnels thus reducing CO2 emission.
- Close monitoring of preventive maintenance of machineries through ERP system, which has helped in reducing fuel consumption.
- Avoiding multistage dewatering system and using high head dewatering pump, thus reducing power consumption.
- Installation of float switches in pumps thereby saving energy consumption.
- Use of transparent sheet at roof of workshop / stores enabling use of natural sunlight instead of electric light.
- Encouraging use of solar for water heater, lighting and charging of batteries with sunlight, etc.
- Implementation of energy saving lighting system at the Head Office, Workshops and Sites.
- Independent power pack provision for probe drilling, thus drilling without starting TBM power.
- Limiting the use of DG power and prioritizing utilization of grid power, thus reducing CO2 emission.
- Centralized & synchronized DG units with high voltage transmission adopted for load sharing and efficient power utilization.
- Use of Variable frequency drive panel to operate specified number ventilation fans based on requirement, thus saving energy
- Use of Automatic Power Factor Controller (APFC) panels improving power factor and saving energy.
- Staggered start-up times for equipment with large starting currents to minimize load peaking.
- Disconnect primary power to transformers that do not serve any active loads.
- Upgradation of machineries, modernization and introduction of sophisticated control system for conservation of energy.
- Conducting energy saving awareness sessions amongst employees to save energy (like turn of lights & computer monitors whenever not used; use of LED lights, use of advanced Speed Step power management, etc).

(B) Technology Absorption

Efforts made towards technology absorption during last three years.

i. Research and Development (R&D)

R&D is a continuous process and the company has benefitted immensely though it is difficult to assess the benefits in direct monetary terms. Some of the efforts on R&D undertaken during the period related are as follows.

- The construction methods have been continuously revised keeping abreast with state-of-art technology through New Austrian Tunneling Method (NATM).
- Optimization of structures through application of Finite Element Method (FEM) technique.
- Use of Earth Pressure Balancing Tunnel Boring Machine (TBM) for tunneling.
- Improving blasting pattern requiring less explosives.
- Designing efficient pumping systems, use of piping networks which requires low maintenance and low frictional losses so as to have more energy efficient system.
- Controlled quarrying and crushing for production of aggregate and sand. Use of properly processed wastage resulting from crushing of aggregates to have minimal environmental impact.

ii. Benefits derived from technology absorption

- Optimization of structures leading to improved progress thus saving time and cost.
- Improved efficiency
- Enhanced quality
- Deployment of optimum number of machines

iii. Technology absorption

- Use of FEM technique for optimized design of various project components at two projects viz (a) Shongtong-Karcham Hydroelectric Project & (b) Parnai Hydroelectric Project, since 2013 – ongoing, technology being adapted.
- Tunneling with Earth Pressure Balancing TBM at Sleemnabad Carrier Canal & Tunnel Project, since 2011 – ongoing, technology being adapted.
- Use of Non – Destructive Testing Method for assessment of geological formation and material testing.
- Use of duel power tunnel mucking loaders to reduce the mucking time in Railway tunnel Projects in J&K.
- Use of Steel Fibre Reinforced Concrete in tunnel lining instead of RCC (Reinforced Cement Concrete); thus saving in wastage of reinforcement, time & cost.

(C) Foreign exchange earnings and outgo

Foreign Exchange Earnings and Outgo during the year under review were ₹ 2,040.44 million (PY ₹ 3,517.45 million) and ₹ 2,992.55 million (PY ₹ 2787.11 million) respectively.

Annexure VI- Particulars of Employees

a) **Information as per Rule 5(1) of Chapter XIII , Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Sub-section 12 of Section 197 of The Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as under:

Sr. No.	Disclosure Requirement	Disclosure details		
1	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.	**Directors**	**Title**	**Ratio**
		Mr. Rupen Patel	Chairman & Managing Director	44.37
		Mr. C. K. Singh	Whole Time Director	4.61
		Mr. Sunil Sapre	Whole Time Director	15.02
		Ms. Kavita Shirvaikar	Whole Time Director & CFO	26.07
2	Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any, in the financial year.	**Directors/KMP's**	**Title**	**% increase in remuneration**
		Mr. Rupen Patel	Chairman & Managing Director	0.00
		Mr. C. K. Singh	Whole Time Director	0.00
		Mr. Sunil Sapre	Whole Time Director	0.00
		Ms. Kavita Shirvaikar	Whole Time Director & CFO	35.60
		Ms. Shobha Shetty	Company Secretary	0.00
3	Percentage increase in the median remuneration of employees in the financial year.	19 %		
4	Number of permanent employees on the rolls of the Company at the end of the year.	2,130 as on March 31, 2021		
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	While the increase in Directors' remuneration for 2020-21 over 2019-20 is 8.39%, the corresponding average remuneration increase for other employee's is 2.69% Due to the pandemic prevailing economic condition of the Country and subsequent effect on the Construction industry in general and the Company in particular there was no increments for Directors except one Director which was done for the following reasons: In appreciation of her dedicated efforts in identifying strategic growth opportunities for the business includes but is not limited to her analytical skills for corelating the financial perspective with operation performance and data, re-negotiating our financial obligations, resolving long pending issues.		
6	Affirmations that the remuneration is as per the Remuneration Policy of the Company.	It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company.		

Management Discussion and Analysis

Indian Macroeconomic review

FY 2021 began witnessing the steady rise of novel SARS-CoV-2 virus post the information received by WHO about cases of pneumonia of unknown cause in Wuhan City of China and coronavirus being identified as the cause on January 07, 2020 by the Chinese authorities thereby threatening all that was taken for granted – mobility, safety, and a normal life itself. It was the worst crisis witnessed in the last few decades affecting people all over the world and bringing all economic activities to a standstill across the world and hence is one of the most endangering pandemic in this modern world which is considered to be scientifically advanced. This, in turn, posed the most formidable economic challenge to India and to the world in a century.

Bereft of any immediate relief measures or cure or a vaccine, public health policy became central to tackling this all-pervasive crisis. The belief behind this policy being economic growth can be regained unlike lives which cannot be regained. The imperative of flattening the Covid-positive curve was entwined with the livelihood cost of an imminent recession, which emanated from the restrictions in economic activities due to the lockdown required to contain the growing pandemic. This inherent trade-off led to the policy dilemma of "lives versus livelihoods". Governments and central banks across the world deployed a range of policy tools to support their economies such as lowering key policy rates, quantitative easing measures, loan guarantees, cash transfers and fiscal stimulus measures. India recognised the disruptive impact of the pandemic and charted its own unique path amidst dismal projections by several international institutions of the spread in the country given its huge population, high population density and an overburdened health infrastructure.

Budget 2020 had provided a thrust to infrastructure development to boost spending across roads & highways, railways, airports, and ports. Allocating over 103 lakh crore for infra projects, the Government identified over 6500 projects under the National Infrastructure Pipeline (NIP) to build a $5 trillion economy by 2025. While many of these announcements were just before the COVID-19 crisis hit the Indian shores, they are even more relevant in a crisis with a deepening financial crunch and staggering economies.

Amidst a lack-lustre performance in FY 2020 in GDP growth of 4.0%, the slowest being in 11 years after being the fastest growing economies in the world over the past several years, India's GDP suffered further decline due to the onset of COVID-19 global pandemic since Jan 2020. With a declining GDP in Q4 FY 2020, the FY 2020-2021 began amidst strict national lockdown imposed for restricting the spread of COVID 19 pandemic announced by the Central Government from March 24, 2020 and continuing till June 08, 2020 whereby partial unlocking was started.

The full lockdown meant the supply of all non-essential goods and services screeching to a near halt for most of April 2020 and May 2020. Also the lockdowns resulted in stoppage of EPC projects work at sites with migrant labour moving to their villages or hometowns and tremendous reduction in revenues for the sector and industry as such. Naturally the COVID-19 lockdown sparked the first contraction that the Indian economy had seen in four decades whereby GDP shrunk a record 24.4% in Q1 FY 2021.

During the unlock phase, when uncertainty declined and the precautionary motive to save lives subsided, on the one hand, and economic mobility increased, on the other hand, India had ramped up its fiscal spending. A favourable monetary policy ensured abundant liquidity and immediate relief to debtors via temporary moratoria, while unclogging monetary policy transmission. India's demand-side policy, thus, underscores the idea that pressing on the accelerator while the brakes are clamped only wastes scarce fuel.

Despite the entirely expected, yet unpalatable confirmation that India indeed entered into a recession in H1 FY 2021, the GDP data for Q2 FY 2021 did contain a positive surprise. The pace of GDP contraction narrowed sharply to 7.4 % per cent in Q2, from the deep 24.4 % in Q1 FY 2021 that was riddled with the lockdowns. The initial data for Q2 FY 2021 revealed a milder contraction than the forecast of 9.5 per cent, primarily driven by a better-than-expected performance of manufacturing, electricity and construction, and to a smaller extent, agriculture. While manufacturing volumes continued to contract, the GVA of this sector eked out a marginal 0.6 per cent growth in Q2 FY 2021, on the back of aggressive cost-cutting measures, a pared down wage bill and benign raw material costs. Additionally, the robust recovery in the performance of key inputs of construction such as cement and steel, and healthy Central Government awards in roads and railways during Q2 FY 2021, narrowed the contraction in the GVA of this sector to 8.6 per cent in Q2 FY 2021, despite the YoY contraction in the actual capital spending of the central and state governments.

India's Q3 FY 21 GDP returned to positive after contracting for two consecutive quarters. The GDP grew by 0.5% per cent in Q3 FY 2021. This was facilitated by the business back to normalcy due to the receding infections due to COVID-19 pandemic and thereby more and more unlocking done by the governments. Industry bodies started expressing confidence that the GDP will improve further in the coming months on the back of positive growth stimuli emanating from the Union Budget and initiatives like the Production Linked Incentive scheme unveiled by the government. The vaccination programme as initiated by the Government was also in the offing and was started from January 2021 thereby increasing the chances of reduced infections and reducing the need for future lockdowns.

India's response has been unique in recognising that the pandemic would have long-term disruptive effects on the productive capacity. The Atmanirbhar Bharat Mission was, accordingly, a composite package announced with welfare measures to address the short-term distress of individuals and firms; and structural reforms to alleviate the long-term distress on the economy. With gradual unlocking of the economy, the focus of the stimulus measures shifted towards investment boosting and consumption revival measures like Production Linked Incentives, enhancing capital expenditure and investments in infrastructure sector.

The GDP growth recovered further marginally in Q4 FY 2020-21 at 1.6% thereby taking the overall growth rate for FY 2021 to -7.3% riding on the back of -24.4% and -7.4% GDP growth rates in Q1 and Q2.

While it was thought that there would not a be a second wave, the estimate for economic growth for FY 2022 had to be lowered from 10.5% to 9.5% as per RBI estimates due to the impact of second wave of COVID-19 at the end of March 2021.

The Union Budget 2021 has been favourable for the infrastructure sector in more ways than one. Not only the capital outlay for the infrastructure sector was increased significantly, but also several other expectations were also met. This includes further allocation towards the National Investment and Infrastructure Fund (NIIF) and the setting up of a new development finance institution (DFI). These will augment the financing avenues for the infrastructure sector and can pave the way for increased private participation thereby supporting the overall infrastructure investment. The gross budgetary support towards capital expenditure has been increased significantly to ₹ 5.54 lakh crore in 2021-22 BE (up 34 percent from 2020-21 BE, and 26 percent from 2020-21 RE) with higher allocation towards the infrastructure sector.

The Central government has also provided the capital of ₹ 0.45 lakh crore as support for the Infrastructure Pipeline. The increased budgetary allocation and planned capital outlay by the Central government will help increase the pace of infrastructure investment. However, as the investments planned under National Infrastructure Pipeline (NIP) are also dependent on state governments and private sector capex, the overall investment could still fall short of the plan, unless supported by states and private sector participation.

To improve the financing availability for the infrastructure sector, the Union Budget has announced the setting up of a new DFI with a capital of ₹ 2,00,000 million. This institution is aimed to leverage and provide debt of over ₹ 5 lakh crore to the infrastructure sector over the next three years, thereby helping bridge the infrastructure financing deficit. Infrastructure project financing in India is predominantly from the banking sector and a few infrastructure NBFCs. Together these have an outstanding credit of ₹ 22.6 lakh crore *(As per ICRA Ratings report published in Financial express dated January 04, 2021)* to the infrastructure sector. For meeting the increased credit requirement, it was crucial to augment the institutions providing credit to the sector. With this new DFI's plan to extend ₹ 5 lakh crore credit over the next three years, the credit availability to the sector can improve significantly. The NIP financing plan earlier had envisaged sourcing only 2-3 percent financing from a new DFI, which was lower than the plans indicated in the Union Budget. However, for achieving this, the structure of the new DFI to be able to raise large scale low-cost funds will be vital.

The Union Budget has also provided ₹ 50,000 million towards the NIIF, which would enable it to acquire infrastructure assets. This apart, another ₹ 10,000 million capital has been provided towards the NIIF Infrastructure Debt Financing Platform which could be leveraged to provide sizeable debt funding to the sector. The NIIF debt platform is targeting to build a debt portfolio of ₹ 1 lakh crore by 2025 with the support of equity capital by the government and a NIIF Strategic Opportunities Fund, and potential equity participation from the private sector.

The budget has also emphasised the importance of asset monetisation in the infrastructure space through various models, including the Infrastructure Investment Trusts (InvITs), Toll-Operate-Transfer (TOT), or monetisation of the land bank. The National Highways Authority of India (NHAI), and Power Grid Corporation of India Ltd (PGCIL) already have indicated plans for their InvITs, and the budget has confirmed the proposal to transfer assets worth ₹ 1,20,000 million, from these two entities to their respective InvITs. The budget has also exempted TDS on dividends by the InvIT, which will reduce compliance requirements from unitholders/investors. InvITs have a strong potential to attract long-term capital for investing in stable operational infrastructure assets providing a steady stream of cash flows over a longer tenure.

Infrastructure Sector Outlook in India

According to Infrastructure Sector in India Industry Report, India plans to spend US$ 1.4 trillion on infrastructure in between the period of 2019-23 to promote sustainable development in the country. This depicts the upward trajectory of the Indian infrastructure space which is on the rise.

The five-year-long National Infrastructure Pipeline (NIP) will enter its second year in FY 21, during which ₹ 1,95,03,970 million are to be invested. About ₹ 19.5 lakh crore has been budgeted during FY 21 as part of the NIP. Urban infrastructure, road transport, energy, and Railways account for about 70% of allocation this 2020.

About 42% of the projects in the NIP are under implementation, which means construction work is already going on. Another 19% is under a development stage, while a big 31% is still in the conceptual stage.

During the fiscals 2020 to 2025, sectors such as Energy (24%), Roads (19%), Urban (16%), and Railways (13%) amount to around 70% of the projected capital expenditure in infrastructure in India.

Government Initiatives and investment

In Union Budget 2021, the government has given a massive push to the infrastructure sector by allocating ₹ 23,30,830 million (US$ 32.02 billion) to enhance the transport infrastructure. The government expanded the 'National Infrastructure Pipeline (NIP)' to 7,400 projects. ~217 projects worth ₹ 1.10 lakh crore (US$ 15.09 billion) were completed as of 2020. The key highlights of the Budget 2021 are as follows:

- In May 2021, Minister for Road Transport & Highways and Micro, Small and Medium Enterprises, Mr. Nitin Gadkari stated that the government is giving utmost priority to infrastructure development and has set a target of road construction of worth ₹ 15 lakh crore (US$ 206 billion) in the next two years.
- The Ministry of Railways plans to monetise assets including Eastern and Western Dedicated Freight Corridors after commissioning, induction of 150 modern rakes through PPP, station redevelopment through PPP, railway land parcels, multifunctional complexes (MFC), railway colonies, hill railways and stadiums.
- In March 2021, the government announced a long-term US$ 82 billion plan to invest in the country's seaports. ~574 projects have been identified, under the Sagarmala project, for implementation through 2035.
- In April 2021, the Ministry of Power (MoP) released the draft National Electricity Policy (NEP) 2021. The MoP created an expert committee including members from state governments, the Ministry of New and Renewable Energy (MNRE), NITI Aayog and the Central Electricity Authority (CEA).
- In March 2021, the Parliament passed a bill to set up the National Bank for Financing Infrastructure and Development (NaBFID) to fund infrastructure projects in India.
- Indian railways received ₹ 11,00,550 million (US$ 15.09 billion), of which ₹ 10,71,000 million (US$ 14.69 billion) is for capital expenditure.
- ₹ 11,81,010 million (US$ 16.20 billion) has been allocated towards road transport and highway sector.
- In Budget 2021, the government announced the following interventions under Pradhan Mantri Aatmanirbhar Swasth Bharat Yojana (PMANSY):
    - o An outlay of ₹ 6,41,800 million (US$ 8.80 billion) over six years to strengthen the existing 'National Health Mission' by developing capacities of primary, secondary & tertiary care and healthcare systems & institutions to detect and cure new and emerging diseases.
    - o This scheme will strengthen 17,000 rural and 11,000 urban health and wellness centres.
    - o Setting up integrated public health labs in all districts and 3,382 block public health units in 11 states.
    - o Establishing critical care hospital blocks in 602 districts and 12 central institutions.
    - o Strengthening the NCDC (National Centre for Disease Control) to have five regional branches and 20 metropolitan health surveillance units.

- o Expanding integrated health information portal to all states/UTs.
- o Rolling out the pneumococcal vaccine, a 'Made in India' product, across the country.
- o ₹ 3,50,000 million (US$ 4.80 billion) has been allocated for COVID-19 vaccines in FY 22.

- The government announced ₹ 1,89,980 million (US$ 2.61 billion) for metro projects.
- Mega Investment Textiles Parks (MITRA) scheme was launched to establish world-class infrastructure in the textile sector and establish seven textile parks over three years.
- The government announced ₹ 30,59,840 million (US$ 42 billion) over the next five years for a revamped, reforms-based and result-linked new power distribution sector scheme.

Power Sector

India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste. Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. In order to meet the increasing demand for electricity in the country, massive addition to the installed generating capacity is required. In 2020, India ranked fourth in the Asia Pacific region out of 25 nations on an index that measured their overall power. India was ranked fifth in wind power, fifth in solar power and fourth in renewable power installed capacity as of 2019. India ranked sixth in the list of countries to make significant investments in clean energy at US$ 90 billion. India is the only country among the G20 nations that is on track to achieve the targets under the Paris Agreement.

Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing at both the market and supply sides (fuel, logistics, finances, and manpower). By 2022, solar energy is estimated to contribute 114 GW, followed by 67 GW from wind power and 15 GW from biomass and hydropower. The target for renewable energy has been increased to 227 GW by 2022.

Investment Scenario

Between April 2000 and September 2020, the industry attracted US$ 15.23 billion in Foreign Direct Investment (FDI), accounting for 3% of total FDI inflow in India.

The Road Ahead

The Government of India has released its roadmap to achieve 227 gigawatts (GW) capacity in renewable energy (including 114 GW of solar power and 67 GW of wind power) by 2022. The Union Government of India is preparing a 'rent a roof' policy for supporting its target of generating 40 GW of power through solar rooftop projects by 2022.

Coal-based power-generation capacity in India, which currently stands at 199.5 GW, is expected to witness total installed capacity addition of 47.86 GW by 2022.

Road Sector

India has the second-largest road network in the world, spanning a total of 5.89 million kilometres (kms). This road network transports 64.5% of all goods in the country and 90% of India's total passenger traffic uses road network to commute. Road transportation has gradually increased over the years with improvement in connectivity between cities, towns and villages in the country. In India, sale of automobiles and movement of freight by roads is growing at a rapid rate.

Highway construction in India increased at 17.00% CAGR between FY 16-FY 21. Despite pandemic and lockdown, India has constructed 13,298 km of highways in FY 21. The roads sector is likely to account for 18% capital expenditure over FY 2019-25.

The government also aims to construct 23 new national highways by 2025. The Minister for Road Transport & Highways and Micro, Small and Medium Enterprises, Mr. Nitin Gadkari, is targeting to construct 40 kms per day in FY 22.

Road Ahead

The Government, through a series of initiatives, is working on policies to attract significant investor interest. A total of 200,000 km of national highways is expected to be completed by 2022. In the next five years, National Highway Authority of India (NHAI) will be able to generate ₹ 1 lakh crore (US$ 14.30 billion) annually from toll and other sources.

Railways Sector

Increasing urbanization and rising income (both urban and rural) is driving growth in the passenger segment. Connectivity by rail in difficult terrain areas like Jammu and Kashmir is on the anvil and several projects are in progress on this front. In FY 20-21, Indian Railways recorded the highest loading in freight transportation. Freight traffic stood at 12,032.64 million tonnes in FY 21. Metro rail projects are envisaged all over the country over the next 10 years. Rail infrastructure will see an investment of ₹ 50 Lakh crore (USD 715.41 billion) by 2030. Government has allowed 100% FDI in the rail sector.

Government of India has focused on investing in railway infrastructure by making investor-friendly policies. It has moved quickly to enable Foreign Direct Investment (FDI) in railways to improve infrastructure for freight and high-speed trains. At present, several domestic and foreign companies are also looking to invest in Indian rail projects.

The outlook for FY 2021-22 is one of cautious optimism, with the country's GDP regaining positive territory thanks to the base effect in the first half, followed by robust growth in the second. While the current resurgence of COVID-19 in terms of second wave in April and May 2021 may dent prospects in the initial part of the year, vigorous vaccination efforts and improved adherence to safety protocols should spark a revival in the latter half. The Company therefore strongly believes that the recovery is 'delayed' and not 'derailed'.

Patel Engineering Limited (PEL) Developments

The Company's debt servicing ability was expected to be under pressure by the lack of revenues and associated liquidity in terms of delayed cash flows on account of the COVID-19 pandemic induced lockdowns during the FY 2021. The continued lockdowns and continuous disruptions of work due to recurrence of Covid cases at sites, affected supply chain, labour migration and social distancing restrictions at site, impacted the revenues of the Company for FY 21 which fell by almost 26.31% to ₹ 17,191.25 million as compared to ₹ 23,330.59 million in FY 20 on a standalone basis and on a consolidated basis has reduced by 24% from ₹ 26,172.10 million to ₹ 19,947.90 million. However, continued fixed costs in terms of salaries & wages, site & office establishments, finance costs, etc lead to a net loss of ₹ 1,383.98 million in FY 21 as compared to ₹ 371.68 million profit in FY 20 on a standalone basis and a loss of ₹ 2,907.60 million in FY 21 as compared to a profit of ₹ 111.2 million in FY 20.

Hence, the Company availed Covid relief from the Consortium of its lenders in the form of a One Time Resolution (OTR) Plan under the RBI Circular for the COVID-19 Pandemic, being one of the various measures taken by govt. to control the impact of the pandemic in the country. The same was approved by the Expert Committee of RBI and the plan was implemented by the lenders of the Company on May 31, 2021. This scheme enabled the Company to ensure that during these Covid times, when we were unsure of the number of waves that will hit us, luckily, with a great vaccination drive, the 2nd wave may be the last one, the Company and its lenders by implementing the above plan have provided adequate working capital required to get operations back to full normalcy in a short span.

The Company has plans to merge 14 of its subsidiaries with itself, which will reduce various costs incurred for compliance for these subsidiaries and ensure that we get synergies of operations throughout with no duplication post-merger. The said merger shall also align the liabilities and corresponding assets which were earlier in subsidiaries, charged to lenders of the Company and hence shall also reduce the corresponding advances & investments in subsidiaries by the Company.

The Company has continued to focus on monetization of non-core assets to reduce debt and further increase liquidity for the Company. The Company continues to receive further funds against arbitration awards by submission of bank guarantees under NITI Aayog initiatives and expects to receive more funds going forward, which shall reduce the debt burden of the Company further. Also, continuous monetization of real estate remains one of the top most priorities of the management.

The Company continues to build up its order book to ₹ 1,44,668.3 million as on March 31, 2021. Further, with implementation of OTR by lenders where additional working capital limits have been made available to the Company, the Company expects to improve its order book further going forward. Our Company focuses on bidding for projects with reputed clients with well-funded projects which can be funded from Client Advances and hence results in efficient working capital management.

Further, we intend to continue bidding for projects that are funded by either multilateral agencies like the Japanese Bank for International Co-operation, the World Bank and the Asian Development Bank or by central or state governments which gives us advantage to get timely payment of works executed and also regular monitoring of progress by such agencies.

Operations Review

The Company expects to continue to focus on enhancing execution capabilities and optimizing resources and to leverage our experience in the hydro-power projects, irrigation and urban infrastructure segments to bid for projects in which the Government is investing funds. Our Company will continue to focus on its core business segments: hydro power, irrigation and urban infrastructure.

Business Development

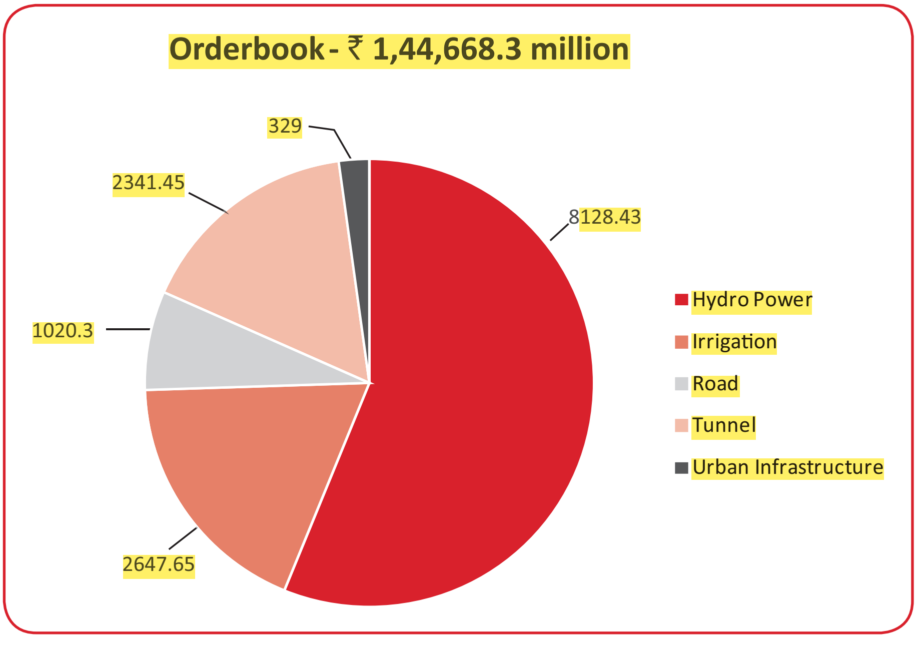
- *New orders received in FY 21*
  - Construction of Balance Civil Works of Power House complex from HRT Intake structures to tail Race Channel Subansisri Lower HE Project, Assam and Arunachal Pradesh (₹ 15,644.2 million).
  - EPC Contract Package covering Design & Engineering services, Civil and Hydro- Mechanical Works of Luhri Hydroelectric Project Stage -I (210 MW) located in Shimla and Kullu districts in Himachal Pradesh, India (₹ 9,765.0 million).
  - Construction of Road Bed, Major Bridges, Minor Bridges, ROBs & RUBs including Road approaches, station Buildings Staff Quarters and related to Construction of New BG Line (₹ 2,434.20 million).
  - Gwalior- Sheopurkalan Earthwork in Embankment and Cutting including blanketing, Construction of Minor Bridges, LHS/ Subways, Side Drains, retaining/ toe walls and other ancillary works / services works between Sumaoli - Sabalgarh and dismantling of existing NG track between Banmoregaon to Salalgarh (₹ 1,222.7 million).

Order book position

The position improved to ₹ 1,44,668.3 million as on March 31, 2021 from ₹ 1,31,846.5 million as on March 31, 2020 resulting in an increase of ~ 10%.

Sectoral Break up as follows:

Hydro Power	– 56%
Irrigation	– 18%
Tunnel	– 16%
Roads	– 7%
Urban Infrastructure & Others	– 2%



Projects Update

Following are some key projects under execution by the Company, apart from the new projects received:-

Power, Dams and Tunnel –

a) Kiru HEP Project, J&K

b) EPC Contract Package for 450 MW Shongtong-Karcham, Hydroelectric Project located in Kinnaur District, Himachal Pradesh, India (Civil and Hydro mechanical Works)

c) Ircon Tunnel T-15 in J&K.

d) KRCL Tunnel T-2 in J&K.

e) Ircon Tunnel, T-7 in West Bengal.

f) Ganol H.E Project, Meghalaya.

g) Arun – 3 HEP Project, Nepal.

h) Kundah Package I & II, Tamil Nadu.

i) Parnai H.E. Project, J&K.

Irrigation –

a) Sleemanabad Carrier Canal, Madhya Pradesh.

b) Construction of Gond Major Project including commissioning, operation and maintenance of five years on turnkey basis, Madhya Pradesh.

c) Jigaon Lift Irrigation, Maharashtra.

d) Construction of Morand & Ganjal Dams with Pressurized pipe micro irrigation system for irrigation, Madhya Pradesh.

e) Construction of Khalwa micro Lift Irrigation Scheme on Turnkey Basis, Madhya Pradesh.

f) Suthaliya Irrigation Project, Madhya Pradesh.

g) Parbati Irrigation Project, Madhya Pradesh.

Urban Infrastructure & Roads –

a) Under Ground Water pipe line project: AMT-II, MCGM, Mumbai, Maharashtra.

b) Design & Construction of Balipara - Charduar Road Section of NH-13 including two number of Tunnels having length 1790 Metre, Arunachal Pradesh.

c) Katraj Kondwa Road Project, Maharashtra.

d) Motihari Road Project, Bihar.

e) Upgradation of Pimpla Junction, Maharashtra.

f) RVNL Project, Chattisgarh.

g) Nalla Development (PMC) Project, Pune.

h) Integrated Toursit Facility at Jammu & Kashmir.

i) Upgradation of existing Highway of 2 Lane / 4 Lane, State of Maharastra Omerga - Ausa, Maharashtra.

j) River Side D P Road Shavane to Mhatre Bridge-Sangamwadi To Kharadi, Pune.

k) Improvement of Road from Shrirampur - Pausad - Vaijapur- Risod - Washim- Mahgoan - Mandvi Road.

Asset Ownership:

Hydro Power Projects – The Gongri H.E. Project is terminated and the Parent Company is in process of settlement of the debt of the lenders for this project. The Company shall now focus only on E&C business.

Thermal Power Projects – The thermal power projects have been kept on hold as the Company currently does not want to leverage further.

Road BOT – The two annuity road BOT projects, i.e. KNT – 1 & AP – 7 are in operation and maintenance stage. For, the other BOT Project i.e. four-lane highway project in Varanasi-Shaktinagar Road, the toll collection period is presently on.

Transmission Asset –The Project – Raichur Sholapur Transmission Co. Ltd. is an SPV in JV with Simplex and BS Transcomm where we have 33.33% stake. The Company is in process of conversion of ECB loan to a rupee term loan.

The Company is looking to hive-off these assets as part of its strategy to sell non-core assets.

Real Estate:

The Company owns a large land bank primarily concentrated in or around the metro cities of Mumbai, Hyderabad, Bangalore and Chennai. These lands are primarily identified for real estate development.

The Company plans to monetize these land parcels either on a Joint Development Agreement (JDA) basis or by way of outright sale. The Company is in final stages of development of its project Smondo, in Gachibowli, Hyderabad.

CSR Initiatives

The Company strives to be a responsible organization that has minimal negative impact on the global or local environment, community, society, or economy - a business that strives to meet the triple bottom line. To carry forward this endeavour, the Company has framed a CSR (Corporate Social Responsibility) policy and frame-work, which elaborates its intent, mechanism and monitoring methodology towards CSR. The corpus to be spent by the Company on CSR shall include at least 2% of the average net profits of its India Operations for preceding three financial years. Any surplus arising out of the CSR projects or programs or activities shall not form part of business profits of the Company. CSR Policy implementation shall be periodically reviewed and monitored by a two tiered Governance Structure comprising of Board and CSR Committee of the Board, and CSR Team comprising of Corporate Office, Project Sites.

In FY 2020-21, the Company has undertaken CSR activities at its project sites and also through external agency. The CSR initiatives of the Company are provided in detail under the Report of CSR forming part of the Board's report. Major CSR initiatives undertaken by the Company during FY 2020-21 are local area development through restoration of public roads and bridge in and around Company's Project sites and extending support to the locals/ villagers in and around the project sites during the ongoing Covid Pandemic by providing ambulance services, medicines, sanitising materials, beds etc. to help them overcome the situation. Going forward, in FY 2021- 22, the Company will strive to work with the locals in and around few of its Project sites for local area development and also undertake any Covid related help required by the locals on an ongoing basis.

Internal Control System

The Company has an adequate system of internal controls to safeguard and protect from loss, unauthorized use or disposition of its assets. All transactions are properly authorized, recorded and reported to the management. The Company is following all the Accounting Standards for properly maintaining the books of accounts and reporting of financial statements. The Company has appointed external Internal Auditors to review various areas of the operations of the Company. The audit reports are reviewed by the management and the Audit Committee of the Board periodically.

Consequent to implementation of Companies Act, 2013 (Act), the Company has complied with the specific requirements in terms of Section 134(5)(e) of the Act calling for establishment and implementation of an Internal Financial Control framework that supports compliance with requirements of the Act in relation to the Directors' responsibility statement.

Management Systems

PEL's prime focus is on performance improvement around crucial parameters such as resource utilization, quality management, safety controls, environment protection, HR development and design engineering. The main motto is customer satisfaction, work effectiveness and time management.

Integrated Management System (IMS) based on three standards stipulated by ISO 9001:2015 for Quality, ISO 14001:2015 for Environment and OHS 45001:2018 for Health and Safety is judiciously managed and maintained by PEL covering all corners of activities. The key objective is to promote the improvement of the quality of the facility constructed to reduce the environmental pollution, occupational accidents and professional diseases. For this we conduct safety & environment training programs periodically on all work fronts. Adaptation to protocols relevant to COVID-19 has been the utmost importance at our operational sites. We have implemented methods of Risk-Based thinking for hazard identification and environment protection at our project sites. This has helped minimized the incident ratio and made the operational ground safe to work on.

We strongly believe and are determined in delivering quality work to our customers and thus have well defined procedures for various functions. We conduct periodical audits and bring out shortcomings, take corrective actions in our management review meetings. This builds a strong system in and around the periphery of the organization.

Information Technology

COVID-19 changed everything. Suddenly our purpose of IT became even more relevant. This crisis has driven us to apply our expertise in radical new ways, using data, technology and modelling to help our employees and stakeholders to adapt. Our recent investments in digital infrastructure also paid dividends, allowing us to fast-track two years' worth of transformation in a matter of weeks. The end result was that 100% of our members were rapidly able to work remotely, using new tools and systems housed in the cloud. In a year where organisations around the world faced unimagined challenges, the digital transformation programme and investments in IT infrastructure that PEL embarked on three years ago enabled all our members to work remotely, utilising new tools and cloud-based systems.

Our determination is unshakeable. Digital collaboration is increasingly important for developing innovative solutions, and new technology is required to create more efficient construction operations. Digital capabilities are being enhanced to increase accountability and efficiency, and to strengthen collaboration and knowledge sharing. It is key to have teams with diversified skills to fully capitalize on the expertise and best practices across the company. Digital focus areas include data-driven production optimization, proactive risk management and improved progress monitoring, while democratized production data and provides business insights for better decision-making.

Human Resources

PEL's employees are vital to the success of its business model. During these difficult pandemic times, we realized the strength of our culture, how it binds us together and how it propels us forward. PEL's high-performance culture is what enables us to stay ahead of clients' needs. It challenges us to be forward-thinkers, problem solvers and innovators. A high-performance culture also requires diversity, empathy, equity, respect and inclusion. Our goal is to build, develop and retain a diverse talent pipeline while fostering a culture where everyone feels seen, heard and empowered to thrive. Our strategy includes: mitigating bias in our hiring and talent management practices; providing professional development, sponsorship and executive coaching opportunities; and resetting behavioral expectations across the organization.

Our operating methods prioritize people over systems and are based on the view that sustained business success requires an ambitious approach to human resources. In November 2020, we initiated our Human Resources digital journey. It is a huge initiative that will meet its employee's needs, be the best partner to them, and maintain a high level of operational performance among staff. It is designed to promote the integration and career advancement of every employee by offering an individualized approach, with enabling and promoting technical training and meetings devoted to personal and professional development. The "learning company" of today's digital age is a concept that PEL hopes to cultivate, essentially in giving managers an active role in developing the skills of their teams.

Training is being revolutionized by the digital transformation and fast-changing ways of carrying out business activities. Through its flexibility, digital technology is powering new ways of learning and updating skills. PEL works to prevent a digital divide by making these new technologies widely available to its employees.

Cautionary Statement

In this Annual Report, the management has disclosed forward-looking information like objectives, estimates and expectations to enable investors to comprehend our prospects and take investment decisions, which may be 'forward-looking statements' within the meaning of applicable laws and regulations. This report and other statements - written and oral that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. The management has tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. The management cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The operations of the Company may be affected due to various reasons like changes in political and economic front of the country; fluctuations in exchange rate, tax laws, litigations, labour relations, interest costs and overall scenario of the infrastructure sector. Hence, the achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise."

BUSINESS RESPONSIBILITY REPORT (BRR)

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: **L99999MH1949PLC007039**
2. Name of the Company: **Patel Engineering Limited**
3. Registered address: **Patel Estate Road, Jogeshwari (W), Mumbai- 400102**
4. Website: **www.pateleng.com**
5. Email id: **headoffice@pateleng.com**
6. Financial Year reported:**1st April 2020 – 31st March 2021**
7. Sector(s) that the Company is engaged in (industrial activity code-wise): The Company is engaged in business of Engineering, Procurement and Construction EPC segment.

Description	**Industrial Group**
Engineering and Construction Activities	42101, 42201, 42204
Real Estate activities with owned or leased property	68100

8. List three key products/services that the Company manufactures/provides (as in balance sheet):

   Engineering and Construction of Hydro Power Plants, railways tunnels, infrastructure, road projects etc.

9. Total number of locations where business activity is undertaken by the Company
   (i) Number of International Locations: 2
   (ii) Number of National Locations: 52
10. Markets served by Company - Local / State / National / International: The Company executes across various States in India and in Nepal (outside India).

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital: ₹ 465.54 million
2. Total Turnover: ₹ 17,191.25 million
3. Total Profit after taxes: ₹ (1,383.93) million
4. Total spending on Corporate Social Responsibility (CSR) : ₹ 98.86 million
5. List of activities in which expenditure in 4 above has been incurred: For list of activities please refer to Annexure III of Board's Report with respect to Annual Report on Corporate Social Responsibility (CSR) for the financial year 2020-21

SECTION C: OTHER DETAILS

1. **Dose Company have Subsidiary Company/Companies?**

   Yes

2. **Do the Subsidiary Company/Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):** No

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:** Less than 30%

SECTION D: BR INFORMATION

1. **Details of Director / Director responsible for BR**

   a) Details of the Director/ Director responsible for implementation of the BR policy/policies

   - DIN Number : 05356483
   - Name: Mr. Sunil Sapre
   - Designation : Whole Time Director

   b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	NA
2	Name	Mr. Rajendra Chopde
3	Designation	Sr. Vice President (Projects)
4	Telephone number	(022) 26767500
5	e-mail id	rajendra.chopde@pateleng.com

2. **Principle-wise (as per NVGs) BR Policy/ policies (Reply in Y/N)**

   Name of the principles:

   P1 – Businesses should conduct and govern themselves with Ethics, Transparency and accountability

   P2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

   P3 – Businesses should promote the well-being of all employees

   P4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantage, vulnerable and marginalized

   P5 – Businesses should respect and promote human rights

   P6- Businesses should respect, protect, and make efforts to restore the environment

   P7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

   P8 – Businesses should support inclusive growth and equitable development

   P9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of the compliance (Reply in Y/ N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/international standards? If yes, specify?(50words)	Yes. The Policies are in confirmation with the international standards of ISO 9001, ISO 14001, ISO 45001 Code of Conduct and ILO Principles.								
4.	Has the policy being approved by the Board?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Policy is signed by Mr. Rupen Patel, Chairman & Managing Director.								
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	https://tinyurl.com/y2e7pkwc								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8.	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the poly/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes, Internal Audits and IMS Audit								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options): Not Applicable

3. **Governance related BR**

a	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually	Annually
b	Does the Company publish a BR or a Sustainability Report	At present only reporting BRR
c	What is the hyperlink for viewing this report?	https://tinyurl.com/y2e7pkwc
d	How frequently It is published?	Annually

SECTION E: PRINCIPLE-WISE PERFORMANCE

	Principle 1	
1.	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?	Yes, the Policy covers the group companies, including the company, subsidiaries and JVs controlled by us. Presently the Policy is part of our COC and organisation is also planning to go for ISO 37001(anti-bribery) international Standard Implementation.

2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	During the year 2021, there were nil complaints filed. Stake holder's compliant redressal mechanism is in place. The Audit committee and Chairman of Audit Committee also audit this aspect.
	Principle 2	
1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	1) Construction 2) Engineering Designs 3) Infrastructure Development Activities 4) Usage of natural resource, which is also optimised through innovative processes.
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Steps taken during Engineering Design: **Raw Material Optimum use:** a) Tailor made Plates of requires size are procured in order to reduce the wastage b) Coupler use for saving in Reinforcement Bar to avoid over lapping c) Cut and Bend Rebar use to avoid materials Wastage d) Use of Silo for storage of cement instead of bags to zero wastage and pollution free e) Reuse of the concrete waste into construction activities **Energy Conservation:** a) Usage of Load sharing System in DG Sets b) Usage of APFC – Automatic Power Factor System in Grid Power and DG Sets c) Usage of Variable Frequency Drive (VFD) starting systems for Ventilation Fans & EOT/ Gantry Crane d) Use of Efficient Motors in Gantry Cranes e) Usage of Suitable size of Pipelines and long Radius Bend in Pumps f) Usage of Common Substation g) Maintain healthy Voltage level h) Use of LED instead of halogen lights to save electricity i) Glare and illumination study to minimise the usage **Water Conservation: -** At Project site, IMS procedure for 4R (Reduce, Reuse, Recycle & Recharge) is followed. Sedimentation tanks are provided at batching plant. Sewerage treatment plant and waste water treatment plants also provided. The waste water is recycled or re-used during the curing process. The vehicle washing stations are reusing the waste water after filtering.

3.	Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably?	Yes, organisation has procedure for procurement where sustainable sourcing elements are 1. Sourcing from local, near-by locations is preferred 2. New vendor development is continuous process 3. Identifying the requirement raised by one of the project location and finding the unused stock in other project locations – this use reduces the stocking of the material 4. PUC and fitness of the vehicle to be used is mandatory 5. Clubbing of the visits of officials to minimise the effect 6. Procurement policy is reviewed from time to time 7. Next year onward we shall also conduct supplier Social Impact audit ---75%--
4.	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Yes, apart from 75% of major raw materials, remaining items like Aggregates, Sand etc. are procured locally which impacts the local market in positive way. This helps in two ways a) helps in developing their society, socially capable and financially managed. b) locally available resources gives us confidence for minimise storing Entire groceries & foods articles procure locally for staff & worker colony. At Project sites, steps are undertaken to award small/ petty Contracts to locals pertaining to Job Work, Equipment (including vehicle) supply, supplies man powers etc. thereby building the Capacity at the Local Level. The local employees are also trained for the project site activities and over a period, they are developed and can take similar jobs once the project at the site is over.
5.	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).	The nature of business does not leave with many option of recycling except waste water. The site uses batteries and generates some waste oil which is handed over to the recyclers for reprocessing. The metal scrap which is generated is sold through vendor who in-turn gives it back to recyclers. Printer and their ink are refilled at the site. 5-10%.
	Principle 3	
1.	Please indicate the total number of employees	2381
2.	Please indicate the total number of employees hired on temporary/contractual /casual basis.	984

3.	Please indicate the Number of permanent women employees.	42
4.	Please indicate the Number of permanent employees with disabilities	3
5.	Do you have an employee association that is recognized by management	No
6.	What percentage of your permanent employees is members of this recognized employee association?	NA
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	There is no complaint received as well filed against the Company for child labour, forced labour, involuntary labour. POSH policy is followed. COC is being understood by all the employees. There is no such complaint for sexual harassment received.
8.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? (a) Permanent Employees (b) Permanent Women Employees (c) Casual/Temporary/Contractual Employees (d) Employees with Disabilities	80% Nil 70% Nil Safety awareness, Pep talks, Safety requirements at sites are followed and safety awareness is a regular activity at the sites.
	Principle 4	
1.	Has the company mapped its internal and external stakeholders? Yes/No	Yes, the stake holders needs and expectations, their issues are taken into consideration for planning of our business.
2.	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stake holders?	Yes
3.	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	We consider our responsibility to all stake holders. We strive to ensure we deliver value to all stakeholders. Once the need of the stakeholders are understood, the individual function in association with the site teams, understand these needs and make the individual plans to full these requirements. Some of these initiatives are a) Location based creating employment b) Developing entrepreneurship by local sourcing c) Skill development
	Principle 5	
1.	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	It covers the entire group under our control. The human rights Policy is also extended to our civil and other contractors where they are monitored for compliance.
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	NIL – No such complaint has been received so far. Audit Committee monitoring is in place.

	Principle 6	
1.	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers /Contractors /NGOs/others.	The organisation has given utmost importance to the sustainable environment in which it has to operate and run. The organisation has established ISO 14001 as one of the pillar of sustainable business. The environmental Management system has been implemented throughout the organisation. All the group companies, suppliers, contractors are in the scope of implementation of Environmental Management System.
2.	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Company has implemented environmental management system for all the Project sites. The nature of business is limited only to construction hence, Global impacts or Global climate change, Global warming is not contributed by PEL.
3.	Does the company identify and assess potential environmental risks? Y/N	Yes, environmental Risk assessment has been carried out at every site and control action plan for minimizing the environmental impacts are implemented.
4.	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	The organisation does not have any CDM project at present. The organisation has mapped all the legal or compliance requirements related to environment and the all the sites are regularly monitored for Environmental compliances.
5.	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	The organisation has implemented Solar resources where ever possible in Head Offices as well at some sites where ever it has become feasible. Constructed Environmental Friendly Tourist accommodation in Jammu for NPCCL (National Projects Construction Corporation Limited). It consists of 1 BHK and 2 BHK houses built of wood and usage of glass is done to conserve energy. Also as a back-up energy resource a Solar Plant of 80 KWA is installed.
6.	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	All the sites regularly monitor the waste generation and the consented quantity. The waste is treated and handled by the third party as per authorised contractor for the final scientific disposal of hazardous as well non-hazardous waste.
7.	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	There is no show cause notices issued to any of the construction sites from any Pollution Control board of the state.
	Principle 7	
1.	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	a) Central Board of Irrigation and Power b) EEPC India c) Federation of India Export organisation d) FICCI Ladies Organisation e) Construction Federation of India f) International Market Assessment India Pvt Ltd.
2.	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes. Energy security & Water

	Principle 8	
1.	Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes, the Company has adopted CSR Policy pursuant to Section 135 and Schedule VII of the Companies Act, 2013. The details of the CSR project undertaken by the Company is provided in the Annexure III of the Board's report in the Annual Report 2020-21 and summary provided in point 5 in Section B of this report
2.	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?	Through external NGOs/any other organisation/ at project sites of the Company. Trust: Shri Kunvarji Mulji Kelavani Trust, 5, Vidyanagar Main Road, Rajkot, Gujarat – 360002.
3.	Have you done any impact assessment of your initiative?	No, Social Impact assessment shall be carried out in this financial year.
4.	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken	₹ 48.86 million. For details please refer point 5 in Section B of this report.
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Yes, all the community development projects are closely monitored and its been evaluated from time to time. The development Projects are identified in and around the Project sites. The Company has successful done community development through an NGO. The development of the programme is monitored by the Company. The Company simultaneously call for utilisation report of the CSR spending of the said NGO from independent Chartered Accountant to ensure successfully completion of CSR project/its spendings.
	Principle 9	
1.	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	In Engineering and Construction business, once the contract is handed over, the construction or billing related complaints are resolved at the site level. The site ensure all the projects related complaints are resolved. The billing and price differences are discussed with the client responsible agency and where it is possible to have a joint review of the site, the same is also performed. There is no such pending case in this financial year.
2.	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks(additional information)	Not applicable
3.	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No
4.	Did your company carry out any consumer survey/ consumer satisfaction trends?	We don't have any such product. Our Engineering and Construction projects are under the guidelines of site construction manual, drawings etc. The customer (Client) comes to our sites at the time of construction, measurement for billing. The customer satisfaction is taken up informally during these meetings as a part of ongoing satisfaction. Their remarks are also taken into consideration in site visit reports.

Report on Corporate Governance

(1) Company's philosophy on Code of Governance

Corporate Governance is the combination of voluntary practice and compliance of laws and regulations leading to effective control and management of the affairs of the Company. Our Company assigns responsibility and authority to the Board of Directors, its Committees, Senior Management, and Employees etc. The Company believes that good governance provides appropriate frame work for the Board, its Committee and Management to carry out its objectives and balance the interest of all stockholders and satisfy the tests of accountability, transparency and fair play. The Company gives high priority to core value and ethics and believes that all its operations and actions must be directed towards overall shareholder's value.

(2) Board of Directors

- The composition of the Board of Directors of the Company comprises of Executive and Non-Executive Directors. As on March 31, 2021, the Board comprise of 6 Directors out of which 3 were Independent Directors. This is in conformity with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and the Companies Act, 2013 ('the Act").

- The names and categories of the Directors on the Board, their attendance at Board meetings held during the Financial Year 2020-21 and at the last Annual General Meeting (AGM), as also the number of directorships and committee positions held by them in other public limited companies as on March 31, 2021 are as under:

Name and DIN of the Directors	Category of Director	No. of Board Meetings		Attendance at the last AGM held on September 28, 2020	No. of directorships in other Companies	Name of other listed entities where directorship held	*Committee Positions	
		Held	Attended				Chairman	Member
Mr. Rupen Patel Chairman & Managing Director (DIN 00029583)	Executive (Promoter)	4	4	Yes	8	Nil	Nil	Nil
**Mr. Khizer Ahmed (DIN 00032567)	Independent Non - Executive	2	2	Yes	Nil	Nil	Nil	Nil
Mr. K. Ramasubramanian (DIN 01623890)	Independent Non - Executive	4	4	Yes	2	Nil	Nil	Nil
Ms. Geetha Sitaraman (DIN 07138206)	Independent Non - Executive	4	4	Yes	Nil	Nil	Nil	Nil
***Mr. C. K. Singh (DIN 00196978)	Executive	1	1	N.A	3	Nil	Nil	Nil
Ms. Kavita Shirvaikar (DIN: 07737376)	Executive	4	4	Yes	4	Nil	Nil	Nil
Mr.Sunil Sapre (DIN: 05356483)	Executive	4	4	Yes	7	Nil	Nil	Nil
Mr. Barendra Kumar Bhoi (DIN: 08197173)	Independent Non - Executive	4	4	Yes	1	Nil	Nil	1

**only Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee in other public limited companies, have been considered for the Committee positions.*

***Mr. Khizer Ahmed ceased to be Independent Director of the Company on account of completion of his tenure as Independent Director effective from September 19, 2020.*

****Mr. C.K. Singh has resigned as Whole time Director effective from June 30, 2020.*

- The Board met 4 times during the financial year 2020-21 i.e. on June 26, 2020; August 28, 2020; November 13, 2020 and February 12, 2021.
- None of Directors listed above are related to each other.
- The Non-Executive Directors neither hold any convertible instruments nor any Equity shares in the Company as on March 31, 2021
- Familiarization Programme: The Independent Directors are familiarized with their roles, rights, responsibilities etc. in relation to the nature of the business, Company's performance/business model. The details are uploaded on the website of the Company at https://tinyurl.com/2xrdt45x
- Board Skill Matrix : The matrix setting out the skills / expertise / competence of the Board of Directors is given below:

Sr. No.	Experience / Expertise / Attribute	Comments
1.	Industry Knowledge	Should demonstrate sound knowledge & possess thorough working experience of the industry in which the organization operates with specific reference to the relevant laws, rules, regulation policies applicable to the organisation/ industry/ sector and level/ status of compliances; the best corporate governance practices, relevant governance codes, governance structure, processes and practices; business ethics, ethical policies, codes and practices of the organization; the structures and systems which enable the organisation to effectively identify, asses and manage risks and crises and bench mark global practices.
2.	Functional Expertise	Should possess ability to obtain, analyse, interpret and use data/information effectively to develop plans and take appropriate decisions with respect to interpretation of financial statements and accounts in order to assess the financial health of an organization; build operational excellence by constantly focusing on upgrading methods, technology, costs, quality. Monitor/review performance for better results and focus on a culture for zero tolerance; maximize technology usage to create robust processes, minimize ambiguity & encourage inter-dependence and seamless working across departments and assess the costs & risks involved with regard to existing & potential business proposition, while evaluating the sources of finance available to an organisation vis-à-vis their related merits and risks.
3.	Behavioural Competencies	Should display highest standards of values & personal conduct, ability to assume ownership & accountability for own performance, working effectively, respectfully & inclusively with people from different backgrounds with different perspectives, while remaining calm & optimistic even under adverse circumstances & taking tough decisions when necessary
4.	Strategic Orientation	Ability to identify vision and value creation and seize opportunities for short & long term business growth, bring in new insights & innovative ways to build robust execution plans for implementing.

List of Core competencies, Skills and Expertise of the Individual Directors:

Name of Director	Skills/Expertise/Competencies				
	Industry Knowledge	Functional Expertise	Behavioural Competencies	Strategic Orientation	Leadership
Rupen P Patel	✓	✓	✓	✓	✓
Kavita Shirvaikar	✓	✓	✓	✓	✓
Sunil Sapre	✓	✓	✓	✓	✓

- The Board of Directors confirm that in their opinion the Independent Directors of the company fulfil conditions specified in SEBI Listing Regulations and are independent of the management.
- A certificate from Neena Deshpande & Co., Company Secretaries has been obtained confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.
- None of Directors listed above are related to each other.

(3) Audit Committee

(a) Terms of Reference:

- To oversee of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- To recommend the appointment, remuneration and terms of appointment of Statutory auditors of the Company;
- To approve the payment to statutory auditors for any other services rendered by the statutory auditors;
- To review and monitor the auditor's independence, performance and effectiveness of audit process;
- To review with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- To review with the management, the annual financial statements and auditor's report thereon before submission to the board for approval.
- To review with the management, the quarterly financial statements before submission to the Board for approval;
- To review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice, and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter; This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company, if any;
- To review the Management letters / letters of internal control weaknesses issued by the statutory auditors;
- To approve the related party transactions or any subsequent modification of such transactions;
- To scrutinize the inter-corporate loans and investments;
- To scrutinize valuation of undertakings or assets of the Company, wherever it is necessary;
- To evaluate internal financial controls and risk management systems;
- To oversee the functioning of the Vigil mechanism (Whistle Blower Policy) and provide direct access to directors and employees to report their genuine concern and grievances to the Audit Committee chairperson under vigil mechanism;
- To discuss with internal auditors of any significant findings and follow up there on;
- To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To seek information from any employee and to obtain legal and professional advice as and when necessary;
- To discuss the scope of internal audit with internal auditors. To formulate the scope, functioning, periodicity and methodology for conducting internal audit in consultation with the internal auditor;
- To call for comments from the internal auditors about internal control systems, scope of audit including the observations of the auditors;
- To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To approve the appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- To review the appointment, removal and terms of remuneration of the Chief internal auditor;
- To review the utilization of loans and/ or advances from/ investment by the Company in its subsidiary(ies) exceeding rupees 100 crore or 10% of the asset size of the respective subsidiary(ies), whichever is lower including existing loans/ advances/ investments;
- To investigate into any of the matters specified above or any matters referred by the Board.

(b) Composition, name of members/chairman and number of meetings attended by the members.

Composition and Name of members	Number of meetings during the year 2020-21	
	Held	Attended
Mr. Khizer Ahmed, Chairman@	2	2
Mr. Rupen Patel	4	4
Ms. Geetha Sitaraman	4	4
Mr. K. Ramasubramanian, Chairman*	4	4

@ Mr. Khizer Ahmed ceased to be Independent Director w.e.f. September 19, 2020

** Mr. K. Ramasubramanian was appointed as Chairman of the Committee by the Board of Directors vide their meeting dated August 28, 2020. He was present at the last Annual General Meeting (AGM) held on September 28, 2020.*

All the members of the Committee have financial management expertise. The constitution and terms of reference of the Committee are in compliance with the requirement of Section 177 of the Act and the Listing Regulations.

(c) Audit Committee meetings during the year

The Audit Committee met 4 times during the year 2020-21 i.e. on June 26, 2020; August 28, 2020; November 13, 2020 and February 12, 2021. The necessary quorum was present for all the meetings of the Committee.

(4) Nomination and Remuneration Committee:

(a) Terms of Reference:

- To identify individuals who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- To formulate criteria for evaluation of independent directors and the performance of the Board;
- To formulate the policy to determine the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;.
- To devise the policy on the Board diversity;
- To decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- To perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended;
- To frame suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including – The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended or The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;

- To perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee;
- To recommend to the Board all remuneration, in whatever form, payable to senior management of the Company.

(b) Composition, name of members/chairman and number of meetings attended by the members.

Composition and Name of members	No. of meeting	
	Held	**Attended**
Mr. Khizer Ahmed, Chairman@	2	2
Mr. Rupen Patel	3	1
Mr. K Ramasubramanian, Chairman*	3	3
Ms. Geetha Sitaraman	3	3

@ Mr. Khizer Ahmed ceased to be Independent Director w.e.f September 19, 2020

** Mr. K Ramasubramanian was appointed as Chairman of Committee by the Board of Directors vide their meeting dated August 28, 2020. He was present at the last Annual General Meeting (AGM) held on September 28, 2020.*

(c) Nomination and Remuneration Committee Meetings during the year

The Nomination and Remuneration Committee met thrice during the year 2020-21 i.e. on August 27, 2020, November 13, 2020 and February 11, 2021. The necessary quorum was present for the meetings of the Committee.

The Company has formulated a Remuneration Policy, the brief of the Policy is annexed to the Board's Report.

(d) Board Evaluation: A Board evaluation policy (the policy) has been framed for evaluating the performance of the Board as a whole, the Chairman, Managing Director, Executive Directors, Independent Directors and the Non-Executive Directors. Based on the same, the performance evaluation was carried out for the financial year ended March 31, 2021.

The Policy inter alia provides the criteria for performance evaluation such as Board effectiveness, quality of discussion and contribution at the meetings, assessing the quality, quantity and timeliness of flow of information between the company management and the Board etc.

(5) Remuneration of Directors

(a) There is no pecuniary relationship or transaction of the non-executive director's vis-à-vis the listed entity.

(b) The criteria of making payments to Non-Executive Directors are in terms of the Remuneration Policy of the Company and the said Policy is annexed to the Board's Report and also available on the website of the Company by following this link: https://tinyurl.com/tpnr4cj8

The Company pays sitting fees of ₹ 50,000 per meeting to Non-Executive, Independent Directors for attending meeting of the Board and Audit Committee and fees of ₹ 25,000 for attending meeting of Stakeholders' Relationship Committee and Nomination and remuneration Committee.

The details of sitting fees paid to the directors during the year are as under:

(₹ in Million)

Name	Sitting fees
Mr. Khizer Ahmed*	0.225
Mr. K. Ramasubramanian	0.500
Ms. Geetha Sitaraman	0.475
Mr. Barendra Kumar Bhoi	0.200

**Mr. Khizer Ahmed ceased to be Independent Director w.e.f. September 19, 2020*

(c) Executive Directors

The details of the remuneration paid to the Managing Director and the Executive Directors during the financial year are as under:

(₹ in Million)

	Mr. Rupen Patel, Chairman & Managing Director	Mr. C. K. Singh, Executive Director*	Ms. Kavita Shirvaikar, Executive Director	Mr. Sunil Sapre, Executive Director
Salary	23.64	3.11	17.87	10.16
Perquisites	6.57	0.01	0.04	0.04
Total (Gross Salary)	30.21	3.12	17.91	10.20
Service Contracts	01-04-2019 to 31-03-2024	30-05-2019 to 29-05-2024	01-04-2017 to 31-03-2022	01-04-2017 to 31-03-2022
Notice period	3 months	3 months	3 months	3 months

**Mr. C. K. Singh resigned as Whole time Director effective from June 30, 2020*

No option was granted during the year to the aforementioned directors.

The shareholding of the Directors in the Company as on March 31, 2021 is as under:

Name	Number of equity shares	% of the paid up capital
Mr. Rupen Patel, Chairman & Managing Director	3,46,85,933	7.45
Mr. K Ramasubramanian, Independent Director	-	-
Ms. Geetha Sitaraman, Independent Director	-	-
Ms. Kavita Shirvaikar, Whole time Director & CFO	1,67,120	0.04
Mr. Sunil Sapre, Whole time Director	-	-
Mr. Barendra Kumar Bhoi, Independent Director	-	-

(6) Stakeholders' Relationship Committee:

(a) name of non-executive director heading the committee: Mr. K. Ramasubramanian

(b) name and designation of compliance officer: Ms. Shobha Shetty, the Company Secretary is the Compliance Officer of the Company

(c) number of shareholders' complaints received so far : Based on the report received from Link Intime India Private Limited, the Registrar & Share Transfer Agent, the Company has not received any complaints during the year ended March 31, 2021 and thus as on March 31, 2021 there were no pending requests /complaints

(d) number of complaints not solved to the satisfaction of shareholders: Nil

(e) number of pending complaints - Nil

(7) Risk Management Committee

(a) Terms of Reference

i. To formulate a detailed risk management policy which shall include:

- A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
- Measures for risk mitigation including systems and processes for internal control of identified risks.
- Business continuity plan.

ii. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

iii. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

iv. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

v. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

vi. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

(b) Composition, name of members

Name	Designation
Mr. K. Ramasubramanian	Independent Director
Ms. Kavita Shirvaikar	Whole time Director & CFO
Mr. Sunil Sapre	Whole time Director
Mr. Kaushik Chakroborty	General Manager (Accounts)

(c) Meetings and attendance during the year - The Risk Management Committee was constituted on June 11, 2021. Thus no meetings were held during the FY 2020-21.

(8) General Body meetings

(a) The date, time and venue of the last three Annual General Meetings are given below:

Financial Year	Date	Time	Venue
2017-18	September 27, 2018	11.00 am	Shree Saurashtra Patel Samaj, Patel Estate Road, Jogeshwari (W), Mumbai – 400 102
2018-19	September 20, 2019	11.30 am	Shree Saurashtra Patel Samaj, Patel Estate Road, Jogeshwari (W), Mumbai – 400 102
2019-20	September 28, 2020	11.30 am	Annual General Meeting held through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")

(b) Special resolutions passed in the previous three Annual General Meetings (AGMs) are given below:

i. AGM on September 27, 2018

- Continuation of Directorship of Mr. Khizer Ahmed as an Independent Director – Pursuant to the SEBI (LODR) (Amendment) Regulations, 2018
- Continuation of Directorship of Mr. Srinivasa Jambunathan as an Independent Director - Pursuant to the SEBI (LODR) (Amendment) Regulations, 2018
- Issue of balance Optionally Convertible debentures pursuant to implementation of S4A
- Amendment to the terms of issue of OCDs
- Amendment to Patel Engineering Employees' Stock Option Plan
- Extending the benefits of Patel Engineering Employees' Stock Option Plan to the employees of the Subsidiaries
- Reclassification from Promoter and Promoter Group Category to Public Category

ii. AGM on September 20, 2019

- Re-appointment of Mr. Khizer Ahmed (DIN: 00032567) as an Independent Director for second term
- Appointment of Mr. K. Ramasubramanian (DIN: 01623890) as an Independent Director for second term
- Alteration of Articles of Association of the Company

iii. AGM on September 28, 2020

- Waiver of recovery of managerial remuneration paid to Mr. Rupen Patel, Chairman & Managing Director for the financial year ended March 31, 2020
- Waiver of recovery of managerial remuneration paid to Ms. Kavita Shirvaikar, Whole Time Director for the financial year ended March 31, 2020
- Waiver of recovery of managerial remuneration paid to Mr. Sunil Sapre, Whole Time Director for the financial year ended March 31, 2020 Waiver of recovery of managerial remuneration paid to Mr. Sunil Sapre, Whole Time Director for the financial year ended March 31, 2020
- Waiver of recovery of managerial remuneration paid to Mr. Chittaranjan Kumar Singh, Whole Time Director for the financial year ended March 31, 2020 Waiver of recovery of managerial remuneration paid to Mr. Chittaranjan Kumar Singh, Whole Time Director for the financial year ended March 31, 2020
- Payment of Remuneration to Mr. Rupen Patel, Chairman & Managing Director for the period April 1, 2020 to March 31, 2022
- Payment of remuneration to Ms. Kavita Shirvaikar, Whole Time Director for the period April 1, 2020 to March 31, 2022
- Payment of Remuneration to Mr. Sunil Sapre, Whole Time Director for the period April 1, 2020 to March 31, 2022

(c) Resolutions passed during the year 2020-21 through postal ballot are given below:

Passed as Special Resolution on July 31, 2020:

- Preferential issue of Equity Shares to lenders pursuant to conversion of loan into equity shares

Passed as Ordinary Resolution on February 09, 2021:

- Appointment of Branch Auditor

Resolution, if any, to be passed through Postal Ballot during the current financial year will be taken up as and when necessary.

(d) The Company follows the procedure as prescribed under the Companies Act, 2013, the Rules framed thereunder and other applicable statutes, if any, for conducting the postal ballot.

(9) Means of communication:

(a) The quarterly/annual financial results are regularly submitted to the Stock Exchanges in accordance with the SEBI Listing Regulations.

(b) The said financials results are published in Financial Express in English Language and in Navshakti in Marathi Language.

(c) All the communications are displayed on www.pateleng.com, the website of the Company. The website of the Company also displays official news release immediately upon information to the Stock Exchanges where shares of the Company are listed. The presentation made to the Institutional Investors or to the Analysts, if any, are also uploaded on the website of the Company. The Company has designated email id investors@pateleng.com exclusively for Investors servicing.

(10) General Shareholder information

(a) Annual general meeting : date, time and venue : Wednesday, September 15, 2021 at 11.30 am through Video Conferencing ("VC")/ other Audio Visual Means ("OAVM")

(b) Financial year : April 1, 2020 to March 31, 2021

(c) Dividend payment date: NA

(d) The Equity Shares **(ISIN : INE244B01030)** of the Company are listed on following Stock Exchanges:

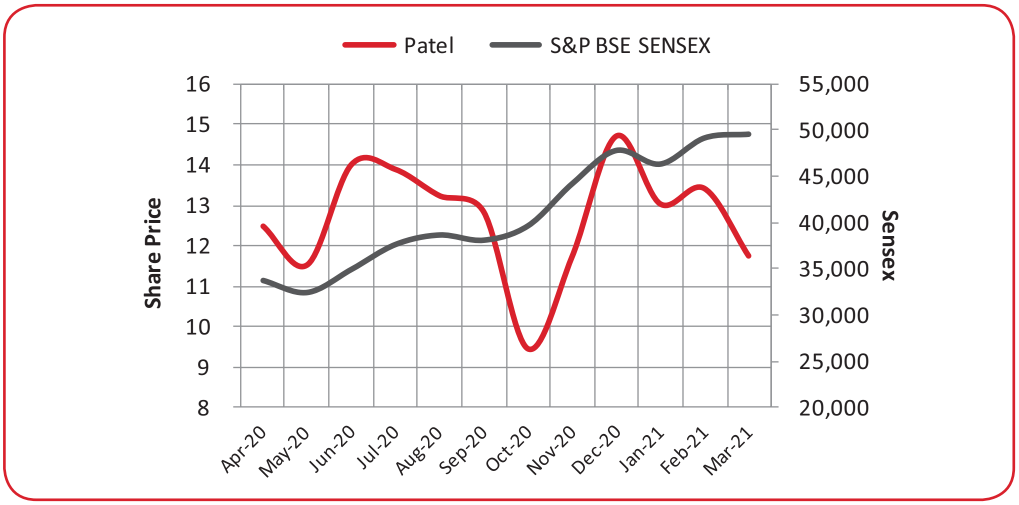
Name of the Stock Exchange	Address of the Stock Exchange	Stock codes (Equity Shares) : Trading Symbol
BSE Limited (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	531120
National Stock Exchange of India Limited (NSE)	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai 400 051	PATELENG

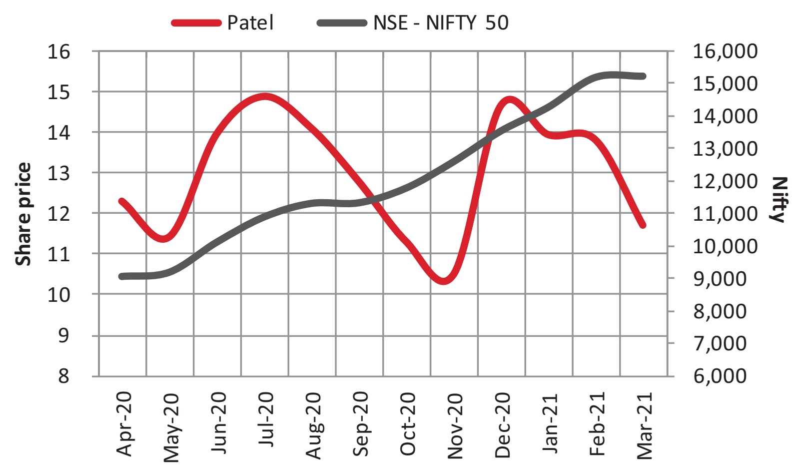
The Company confirms payment of annual listing fees to these Stock Exchanges for the financial year 2021-22.

(e) **Market Price Data :** High, Low (based on the closing Prices) and number of Company's shares traded during each month in the financial year 2020-2021 on BSE and NSE are under :

Month	BSE			NSE		
	High (₹)	Low (₹)	Total No. of Shares Traded	High (₹)	Low (₹)	Total No. of Shares Traded
Apr-20	15.45	8.95	5,20,396	15.45	8.90	49,10,743
May-20	12.40	10.75	1,92,570	12.50	10.75	21,78,783
Jun-20	16.35	11.6	14,77,554	16.40	11.60	87,91,326
Jul-20	17.30	13.19	22,01,818	17.15	13.05	1,26,50,052
Aug-20	15.25	13.00	10,29,395	15.25	12.9	89,12,704
Sep-20	13.75	11.41	6,07,978	13.8	11.4	38,11,302
Oct-20	14.04	9.21	17,36,558	14.1	9.15	1,30,30,680
Nov-20	12.00	9.24	8,53,797	12.05	9.25	62,63,609
Dec-20	17.10	11.70	34,45,362	16.8	11.65	2,55,17,536
Jan-21	15.75	11.20	20,56,971	15.75	11.05	1,77,11,854
Feb-21	15.70	11.20	14,58,641	15.30	12.90	1,23,35,206
Mar-21	14.66	11.65	14,01,958	14.65	11.60	80,58,834

(f) Performance of the share price of the Company in comparison to the S&P BSE Sensex & NSE Nifty:





(g) **Registrar and share transfer agent:** Link Intime India Private Limited is the Registrar and Share Transfer Agent of the Company.

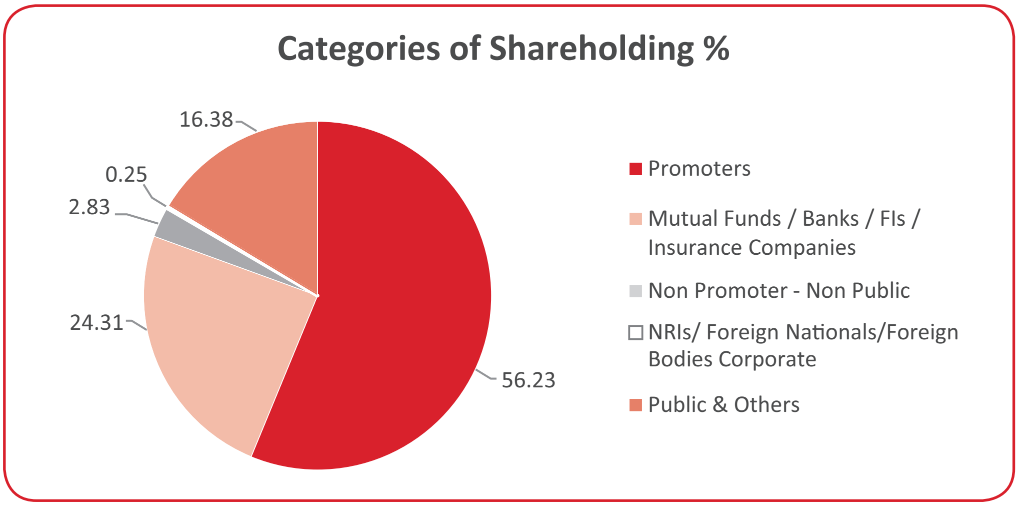
(h) **Share Transfer System:** The Company's shares are compulsorily traded in demat mode on BSE and NSE. As regards transfer of shares in physical form, the same is normally processed within 15 days by the Registrar from the date of receipt if the documents are complete in all respects. Ms. Shobha Shetty, Company Secretary of the Company has been duly authorized by the Board of Directors to approve transfer, transmission of shares of the Company and periodically report the same to the Board.

(i) **Distribution of shareholding as on March 31, 2021:**

No. of shares	No. of Shareholders	% of Shareholders	Number of Shares held	% to Shares held
1-500	48,210	78.27	59,52,757	1.28
501-1000	5,591	9.08	46,89,136	1.01
1001-2000	3,468	5.63	54,65,757	1.17
2001-3000	1,388	2.25	36,25,366	0.78
3001-4000	582	0.94	20,98,285	0.45
4001-5000	583	0.95	27,85,656	0.60
5001-10000	913	1.48	68,86,024	1.48
Above 10000	858	1.39	43,39,50,043	93.23
Grand Total	**61,593**	**100**	**46,54,53,024**	**100**

Shareholding Pattern as on March 31, 2021

Category	No. of shares	% of Total Holding
Promoters	26,17,43,109	56.23
Mutual Funds / Banks / FIs / Insurance Companies / NBFCs	11,31,30,942	24.31
NRIs/ Foreign Nationals/Foreign Bodies Corporate	11,83,255	0.25
Public & others	7,62,38,003	16.38
Non Promoter - Non Public	1,31,57,715	2.83
GRAND TOTAL	**46,54,53,024**	**100.00**



(j) Dematerialization of shares and liquidity:

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity shares representing 99.90% of the Company's share capital are dematerialized as on March 31, 2021.

The Company's shares are regularly traded on the National Stock Exchange of India Limited and BSE Limited, in electronic form.

(k) The Company has not issued GDRs/ADRs/Warrants during the year.

Company allotted 1,26,38,700 Equity shares against conversion of part debt of Axis Bank Ltd and IDBI Bank Ltd into Equity shares on September 16, 2020 and allotted 3,54,36,562 Equity shares against conversion the part debt of PTC India Financial Services Limited and IDBI Bank Limited shares on February 09, 2021.

(l) Commodity price risk or foreign exchange risk and hedging activities: Price Escalation of most of the materials are passed onto the clients based on contract conditions hence the company doesn't undertake any hedging activities for the same. As regard other foreign currency liabilities are concern, the company decides to undertake hedging after considering amount involved, period and market conditions. Further, the Company has not obtained any foreign currency loans except Foreign currency loan obtained by Raichur Sholapur Transmission Company Pvt Ltd, a SPV wherein company owns 33.34%. The said loan is in the process of conversion to a Rupee term loan. Hence, the Company is not exposed to any such risks.

(m) Plant locations: Not Applicable

(n) Address for correspondence: For any assistance, request or Instruction regarding transfer or transmission of shares and debentures, dematerialization of shares, change of address, non- receipt of annual report, dividend warrant and any other query relating to the shares and debentures of the Company, the investors may please write to the following address:

Link Intime India Private Limited
Unit: Patel Engineering Limited
C-101, 247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai – 400 083
Tel No: +91 22 49186000
Fax: +91 22 49186060
E-mail id : rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

The Company Secretary
Patel Engineering Limited
Patel Estate Road, Jogeshwari (West),
Mumbai – 400 102.
Tel: +91 22 26767500
Fax: +91 22 26782455
E-mail: investors@pateleng.com

(o) Credit ratings :

- In September 2020, Acuite Ratings & Research Limited has reaffirmed the ratings i.e. ACUITE BBB / Negative for the long term Bank facilities and ACUITE A3+ for short term bank facilities of the Company.
- In November 2020, Infomerics Valuation and Rating Pvt. Ltd. has revised the ratings from IVR BBB / Positive Outlook to IVR BBB / Credit Watch with Developing Implications for the long term Bank facilities and reaffirmed rating of IVR A3+) to the short term bank facilities of the Company.
- In December 2020, Acuite Ratings & Research Limited has revised the ratings from ACUITE BBB / Negative to ACUITE BB- / Negative for the long term Bank facilities and ACUITE A4+ from ACUITE A3+ from the short term bank facilities of the Company.
- In March 2021, Acuite Ratings & Research Limited has revised the ratings from ACUITE BB- / Negative to ACUITE B+ / Negative for the long term Bank facilities and ACUITE A4 from ACUITE A4+ from the short term bank facilities of the Company.

(p) Details of shares lying in the suspense account (pursuant to Regulation 39 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015

	Particulars	
i	Aggregate number of shareholders at the beginning of the year	57
ii	Outstanding shares in the suspense account lying at the beginning of the year	1085
iii	No. of shareholders who approached the company for transfer of shares from suspense account during the year;	0
iv	Number of shareholders to whom shares were transferred from the suspense account during the year	0
v	Aggregate number of shareholders at the end of the year	57
vi	Outstanding shares in the suspense account at the end of the year	1085

The voting rights on the outstanding shares shall remain frozen till the rightful owner of such shares claims the shares.

(11) Other Disclosures:

(a) The Company has not entered into any materially significant related party transaction that may have potential conflict with the interest of Company at large. Transactions with the related parties are disclosed in the audited financial statements.

(b) The Company has a Vigil Mechanism (Whistle Blower) Policy for employees to report concerns about unethical behavior, actual or suspected fraud or violation of our code of conduct or ethics policy and confirms that no personnel have been denied access to Audit Committee.

(c) The Company has implemented the mandatory requirements of Corporate Governance as set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(d) Material Subsidiaries policy weblink: https://tinyurl.com/y4dpmjxu.

(e) Related Party policy web link: http://tinyurl.com/nrqnhhs.

(f) Dividend Distribution policy weblink: https://tinyurl.com/59e5m429.

(g) During the year ended March 31, 2021 a total fees for all services paid by Company on a consolidated basis to the statutory auditor of the Company is ₹ 70,73,277. No service has been provided by M/s. T. P. Ostwal & Associates LLP, the statutory auditor of the Company in any of Company's subsidiary/associate/joint venture. Hence no fees has been paid from any such subsidiary/associate/joint venture to the statutory auditor.

(h) The Company has Policy on Sexual Harassment at Workplace. During the year, the Company has not received any complaint under the policy.

(i) Disclosures on compliance with corporate governance requirements specified in Regulations 17 to 27 have been included in the relevant sections of this report.

(j) The Appropriate information has been placed on the Company's website pursuant to clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.

(k) The financial statements have been prepared in accordance with the accounting standards and policies generally accepted in India.

(l) The CEO and CFO have certified to the Board, the requirements of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 with regard to financial Statement.

(m) In view of Regulation 9 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has a Code of Conduct to Regulate, Monitor and Report Trading by Insiders. The Code lays down guidelines which advise management and employees on handling Unpublished Price Sensitive Information, procedures to be followed and disclosures to be made while dealing with Securities of the Company.

Declaration by the CEO under SEBI Listing Regulations regarding adherence to the Patel Engineering Code of Conduct.

In accordance with Listing Regulations, I hereby declare that for the financial year ended March 31, 2021 the members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Board of Directors and Senior Management.

On behalf of the Board of Directors,
Patel Engineering Ltd

Sd/-
Rupen Patel
Chairman & Managing Director
DIN: 00029583

June 11, 2021
Mumbai

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (AS AMENDED)

To
The Members of Patel Engineering Limited

1. The Corporate Governance Report prepared by Patel Engineering Limited ("the Company"), contains details as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 2021. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board.

Auditor's Responsibility

4. Our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the condition of Corporate Governance, as stipulated in the Listing Regulation.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

6. We have complied the relevant applicable requirements of the Standard on quality control (SQC) 1, Quality Control for Firms that perform audits and reviews of historical financial information and other assurance and related services engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include but were not limited to verification of secretarial records and financial information of the Company and obtaining necessary representations and declarations from directors including independent directors of the Company.

8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2021, referred to in paragraph 1 above.

Other matters and Restriction on Use

10. This Report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

11. This Report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

For T. P. Ostwal & Associates LLP
Chartered Accountants
(Registration No. 124444W/W100150)

Sd/-
Anil A. Mehta
(Partner)
Membership number: 030529
UDIN: 21030529AAAAER4490

Mumbai
June 11, 2021

Independent Auditors' Report

To the Members of Patel Engineering Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Patel Engineering Limited which includes joint operations ("hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including other comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information, (hereinafter referred to as "the Consolidated Financial Statements"). These also include financials of the Real Estate Division Branch of the company for the year ended on that date audited by the branch auditor of the Company's branch located at Mumbai.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associates, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, and its associates as at March 31, 2021, their consolidated loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

Emphasis of Matter

We draw attention to

1. The independent Branch Auditors of Patel Engineering Ltd (Real Estate Division), have without qualifying their audit report on the Standalone Ind AS financial statements for the year ended March 31, 2021 have drawn attention with respect to Note No. 47 regarding Company's investment and loans and advances in Waterfront Developers Limited, where notice dated June 04, 2015 was received from Government of Mauritius for the termination of Lease Agreement entered on December 11, 2009 with Les Salines Development Limited (a step down subsidiary of Waterfront). In this case the process of Arbitration has been initiated with the Government of Mauritius.

   Our opinion is not modified in respect to this matter.

2. The Consolidated Financial Statements of the Company for the year ended March 31, 2021 include the financial statements of the subsidiaries Apollo Buildwell Private Limited, Hera Realcon Private Limited and Energy Design Private Limited, wherein their auditors, without qualifying their opinion have drawn attention with respect to material uncertainty that exist which may cast significant doubt on the respective company's ability to continue as going concern. However, the financial statements of these subsidiaries are prepared on going concern basis.

   Our opinion is not modified with respect to this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

<table>
<tr><th>Sr. No.</th><th>Key Audit Matter</th><th>Auditor’s Response</th></tr>
<tr><td>1</td><td>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 “Revenue from Contracts with Customers”

The application of the revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, the revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

Refer Notes 1.k and 25 to the Consolidated Financial Statements.</td><td>Principal Audit Procedures

Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:
Evaluated the design of internal controls relating to implementation of the revenue accounting standard.
Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, performance and inspection of evidence in respect of operation of these controls.
Tested the relevant information technology systems’ access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the revenue accounting standard
Selected a sample of continuing and new contracts and performed the following procedures:
Read, analyzed and identified the distinct performance obligations in these contracts.
Compared these performance obligations with that identified and recorded by the Company.
Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation
Samples in respect of revenue recorded for time and material contracts were tested using a combination of customer acceptances, subsequent invoicing and historical trend of collections and disputes.
Performed analytical procedures for reasonableness of revenues disclosed.</td></tr>
</table>

Sr. No.	Key Audit Matter	Auditor's Response
2	**Accounting of contract work-in-progress for engineering construction projects** The company recognized contract revenue and contract costs from contract work-in-progress for engineering construction projects by reference to the stage of completion of the contract activity at the end of each reporting period. The stage of completion is measured by reference to work performed. The accounting for such engineering construction projects is complex due to high level of estimation in determining the costs to complete. This is due to the nature of the operations, which may be impacted by the technological complexity of projects, the precision of cost estimation during the budgeting process and the actual progress of each project during the financial year. Accordingly, the accounting of contract work-in progress for engineering construction projects is identified as a key audit matter. Refer Notes 1.j and 10 to the Consolidated Financial Statements.	**Principal Audit Procedures** Our audit procedures included the following: • Review of contract terms and conditions and the contractual sums and substantiated project revenues and costs incurred against underlying supporting documents. • Perused customers and subcontractor correspondences and discussed the progress of the projects with project managers for any potential disputes, variation order claims, known technical issues or significant events that could impact the estimated contractual costs. • Analyzed changes in estimates of costs from prior periods and assessed the consistency of these changes with progress of the projects during the year.
3	**Valuation of Claims under settlement** The Company has certain significant open legal proceedings under arbitration for various complex matters with the Clients and other parties, continuing from earlier years, which are as under: • Non acceptance of certain work by the client. • Cost overrun in certain contracts. • Reimbursement of the cost incurred by the company for the client. Due to complexity involved in these litigation matters, the recognition of claims / variations are included in revenues when it is highly probable of recovery based on estimate and assessment of each item by the management based on their experience of recovery Refer Notes 1.r, 46 and 49 to the Consolidated Financial Statements	**Principal Audit Procedures** Our audit procedures included the following: • Assessing the procedures implemented by the Company to identify and gather the risks it is exposed to. • Obtaining an understanding of the risk analyses performed by the Company, with the relating supporting documentation, and studying written statements from internal and external legal experts, where applicable. • Discussion with the management on the development in these litigations during the year ended March 31, 2021. Obtaining representation letter from the management on the assessment of these matters as per SA 580 (revised) – Written representations.

Sr. No.	Key Audit Matter	Auditor's Response
4	**IT Systems and control over financial reporting** We identified IT systems and controls over financial reporting as a key audit matter for the Company because its financial accounting and reporting systems are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations and IT application controls are required to be designed and to operate effectively to ensure accurate financial reporting.	**Principal Audit Procedures** Our procedures included to the following: • Assessment of the complexity of the environment through discussion with the head of IT. • Assessment of the design and evaluation of the operating effectiveness of general IT controls over program development and changes, access to programs and data and IT operations. • Assessment of the design and evaluation of the operating effectiveness of IT application controls in the key processes impacting financial reporting of the Company.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the "Other Information". The Other Information comprises the information included in the Annual Report, but does not include the Consolidated Financial Statements and our auditor's report thereon. Such Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information identified above when it becomes available and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

As and when we receive and read the Other Information identified above, in the event we conclude that there is a material misstatement therein, we will communicate the matter to those charged with governance in the manner required.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group and of its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the companies included in the Group and of its associates are also responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the Companies included in the Group and of its associates are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective management either intends to liquidate the respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group and of its associates are responsible for overseeing the company's financial reporting process of the Group and of its associates.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and of its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and of its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or the business activities with the Group and of its associates to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statement of such entities included in the Consolidated Financial Statements of which we are the independent auditor.

We communicate with those charged with governance of the company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. We did not audit the financial statements and other financial information in respect of:

   i. the real estate division whose financial statements reflect total assets of ₹ 4,745.44 million as at March 31, 2021 and the total revenue of the ₹ 245.19 million, Total profit (net) after tax of ₹ 49.08 million and total comprehensive income (net) of ₹ 49.25 million for the year ended March 31, 2021,

   ii. 18 joint operations, whose financial results reflect total assets of ₹ 1,907.75 million as at March 31, 2021, Group's Share in Total revenue after elimination of ₹ 1,880.57 million, Total profit (net) after tax of ₹ 62.18 million and total comprehensive income (net) of ₹ 62.18 million for the year ended March 31, 2021

   iii. 23 subsidiaries, whose financial statements reflect net total assets of ₹ 24,672.21 million as at March 31, 2021, total revenues of ₹ 2,639.19 million, total net loss after tax of ₹ 2,282.69 million, total comprehensive income (net) of ₹ (2,204.77) and net cash inflows amounting to ₹ 82.17 million for the year ended March 31, 2021

   iv. 1 associate, whose financial statements reflect Group's share of net profit after tax of ₹ 50.01 million for the year ended March 31, 2021

   These Ind AS financial statement of the entities mentioned in (i) to (iv) and other financial information have been audited by other auditors, which financial statements, other financial information and auditors' reports have been furnished to us by the management. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these branch, subsidiaries and joint operations, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid branch, subsidiaries and joint operations, is based solely on the report(s) of such other auditors.

2. The accompanying Consolidated Financial Statements include unaudited financial statements and other unaudited financial information in respect of:

   i. 9 unincorporated joint operations whose financial results reflect total assets of ₹ 209.15 million as at March 31, 2021, Group's Share in Total revenue after elimination of inter-company revenue, is ₹ 32.53 million, Total Profit (net) after tax of ₹ 0.01 million and total comprehensive income (net) of ₹ 0.01 million for the year ended March 31, 2021,

   ii. 4 subsidiaries, whose financial statements reflect net total assets of ₹ 509.33 million as at March 31, 2021, total revenues of ₹ 51.56 million, total net loss after tax of ₹ 97.06 million, total comprehensive income of ₹ (95.14) and net cash outflows amounting to ₹ 6.09 million for the year ended March 31, 2021,

   iii. 4 associates, whose financial statements reflect Groups share of net loss after tax of ₹ (228.22) million for the year ended March 31, 2021

These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, joint operations and associates, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, joint operations and associates, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report to the extent applicable, that

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) In our opinion, proper books of account as required by law have been kept so far as it appears from our examination of those books;

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended,

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors who are appointed under section 139 of the Act, of its subsidiaries and associates, none of the directors of the Group's companies and its associates, incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements of the Holding Company and its subsidiaries, associates and joint ventures, incorporated in India, refer to our separate Report in "Annexure A" to this report;

g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, associates and joint ventures, incorporated in India, the managerial remuneration for the year ended March 31, 2021 has been paid/provided by the Holding Company, its subsidiaries and associates incorporated in India to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act; and

h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

 i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 49 to the Consolidated Financial Statements,

 ii. The Group does not have any long term contracts including derivatives contracts for which there were any material foreseeable losses.

 iii. There has been no delay in transferring amount, required to be transferred to the Investor Education and Protection Fund.

For T. P. Ostwal & Associates LLP
Chartered Accountants
(Registration No. 124444W/W100150)

Anil A. Mehta
Partner
Membership Number: 030529

Place : Mumbai
Date : June 11, 2021

UDIN : 21030529AAAAE04202

Annexure A to Independent Auditors' Report on the Consolidated Financial Statements of Patel Engineering Limited

Referred to in paragraph 1(f) under "Report on Other Legal and Regulatory requirement" section of our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act 2013.

In conjunction with our audit of the Consolidated Financial Statements of Patel Engineering Limited which includes joint operations as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Patel Engineering Limited which includes joint operations (hereinafter referred to as the "Holding Company") and its subsidiaries and its associates, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiaries, and associates, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Consolidated Financial Statements of the Holding Company, its subsidiaries and associates which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting with reference to these Consolidated Financial Statements of the Holding company and its subsidiary company as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting with reference to these Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Consolidated Financial Statements includes those policies and procedures that

i. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

ii. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

iii. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in Other Matters paragraph below, the Holding Company, its subsidiaries, and its associates, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these Consolidated Financial Statements and such internal financial controls over financial reporting with reference to these Consolidated Financial Statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements of the Holding Company, in so far as it relates to separate financial statement of 23 subsidiaries and 1 branch, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and branch incorporated in India.

For T. P. Ostwal & Associates LLP
Chartered Accountants
(Registration No. 124444W/W100150)

Anil A. Mehta
Partner
Membership Number: 030529

Place : Mumbai
Date : June 11, 2021

UDIN : 21030529AAAAEO4202

Consolidated Balance Sheet as at March 31, 2021

		Notes	As At March 31, 2021 ₹ Million	As At March 31, 2020 ₹ Million
I.	**ASSETS**			
1	**Non-current assets**			
	(a) Property, plant and equipment	2	6,537.69	5,784.71
	(b) Capital work-in-progress		6,786.06	11,408.35
	(c) Intangible assets		3.87	3.86
	(d) Goodwill on consolidation		283.86	283.86
	(e) Financial assets			
	(i) Investments	3	678.90	789.75
	(ii) Trade receivables	4	4,420.83	4,733.64
	(iii) Loans	5	704.41	853.34
	(iv) Other financial assets	6	1,367.34	614.10
	(f) Deferred tax assets (net)	7	2,002.80	1,174.94
	(g) Current tax assets (net)	8	130.98	141.14
	(h) Other non current assets	9	6,618.17	7,590.58
	Total non current assets		**29,534.91**	**33,378.27**
2	**Current assets**			
	(a) Inventories	10	36,302.81	35,662.36
	(b) Financial assets			
	(i) Trade receivables	4	4,336.35	3,275.06
	(ii) Cash and cash equivalents	11	1,949.22	1,132.49
	(iii) Other bank balances	12	10.88	4.76
	(iv) Loans	5	297.37	845.02
	(v) Other financial assets	6	775.01	913.49
	(c) Current tax assets (net)	8	120.42	13.31
	(d) Other current assets	9	7,428.05	7,791.98
	(e) Assets classified as held for sale	13	116.00	266.00
	Total current assets		**51,336.11**	**49,904.47**
	TOTAL ASSETS		**80,871.02**	**83,282.74**
II.	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity share capital	14	465.45	408.17
	(b) Other equity		22,730.21	25,061.78
	Equity attributable to owners of the parent		**23,195.66**	**25,469.95**
	Non-controlling interests		612.90	330.98
	Total Equity		**23,808.56**	**25,800.93**
2	**Liabilities**			
	Non current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	15	7,794.11	9,193.78
	(ii) Trade payables	16		
	a) Total outstanding dues of micro enterprises and small enterprises		-	-
	b) Total outstanding dues of creditors other than micro enterprises and small enterprises		4,779.22	3,302.45
	(iii) Other financial liability	17	1,478.16	1,000.00
	(b) Provisions	18	119.96	102.39
	(c) Other non current liabilities	19	7,727.72	3,699.79
	(d) Deferred revenue	20	68.01	75.59
	Total non current liabilities		**21,967.18**	**17,374.00**
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	21	14,565.53	13,250.89
	(ii) Trade payables	22		
	a) Total outstanding dues of micro enterprises and small enterprises		45.62	23.92
	b) Total outstanding dues of creditors other than micro enterprises and small enterprises		12,050.97	13,674.80
	(iii) Other financial liabilities	23	853.20	932.07
	(b) Provisions	18	63.77	27.20
	(c) Other current liabilities	24	7,516.19	12,198.92
	Total current liabilities		**35,095.28**	**40,107.80**
	TOTAL EQUITY AND LIABILITIES		**80,871.02**	**83,282.74**
	Summary of significant accounting policies	1		

The notes referred to above form an integral part of these financial statements

As per our report of even date

For **T.P. Ostwal & Associates LLP**
Firm Regn No:124444W/W100150
Chartered Accountants

Anil A. Mehta
Partner
Membership No. 030529

Place : Mumbai
Date : June 11, 2021

For and on behalf of Board

Rupen Patel
Chairman &
Managing Director
DIN : 00029583

Kavita Shirvaikar
Chief Financial Officer &
Director
DIN : 07737376

Sunil Sapre
Director
DIN : 05356483

Shobha Shetty
Company Secretary
Mem. No.: F10047

Consolidated Statement of Profit and Loss for the year ended March 31, 2021

		Notes	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
I.	**Revenue from operations**	25	19,947.93	26,172.14
II.	**Other income**	26	1,091.35	1,711.63
III.	**Total revenue (I + II)**		**21,039.28**	**27,883.78**
IV.	**Expenses:**			
	Cost of construction	27	14,589.99	21,043.65
	Purchase of stock in trade		-	66.04
	Employee benefits expense	28	2,013.32	1,943.45
	Finance costs	29	4,013.92	2,662.69
	Depreciation and amortization expense	2	720.25	661.86
	Other expenses	30	998.26	1,265.69
	Total expenses		**22,335.74**	**27,643.36**
V.	**Profit/(loss) before exceptional items and tax (III-IV)**		**(1,296.46)**	**240.41**
VI.	**Exceptional items**	31	2,141.66	(306.78)
VII.	**Profit/(loss) before tax (V - VI)**		**(3,438.12)**	**547.20**
VIII.	**Tax expense:**			
	(1) Current tax		110.48	211.37
	(2) Tax adjustments for earlier years		1.49	(86.02)
	(3) Deferred Tax		(820.83)	108.82
IX.	**Profit/(loss) for the year (VII-VIII)**		**(2,729.26)**	**313.03**
X.	**Share in loss in associates (net)**		(178.21)	(201.72)
XI.	**Net profit/(loss) after tax and share in profit /(loss) in joint ventures / associates**		**(2,907.47)**	**111.31**
XII.	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans		40.86	(31.97)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		4.42	4.42
XIII.	**Total other comprehensive income**		**45.28**	**(27.55)**
XIV.	**Total comprehensive income for the year (XI+XIII) (comprising profit /(loss) and other comprehensive income for the year)**		(2,862.19)	83.76
XV.	**Minority interest**		**119.85**	**39.30**
XVI.	**Owners of the parent (XIV- XV)**		(2,982.04)	44.46
XVII.	**Earnings per equity share (₹):**			
	(1) Basic	36	(6.78)	0.39
	(2) Diluted		(6.78)	0.39
	Summary of significant accounting policies	1		

The notes referred to above form an integral part of these financial statements
As per our report of even date

For **T.P. Ostwal & Associates LLP**
Firm Regn No:124444W/W100150
Chartered Accountants

Anil A. Mehta
Partner
Membership No. 030529

Place : Mumbai
Date : June 11, 2021

For and on behalf of Board

Rupen Patel
Chairman &
Managing Director
DIN : 00029583

Kavita Shirvaikar
Chief Financial Officer &
Director
DIN : 07737376

Sunil Sapre
Director
DIN : 05356483

Shobha Shetty
Company Secretary
Mem. No.: F10047

Consolidated Cash Flow Statement for the year ended March 31, 2021

	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) after tax	(2,907.47)	111.31
Adjustment for:		
Depreciation/ amortisation	720.25	661.86
Tax Expenses	(708.85)	234.17
Finance charges	4,013.92	2,662.69
Interest income and dividend received	(590.84)	(924.67)
Foreign exchange loss/ (gain)	31.39	44.21
Provision for leave salary	11.05	30.77
Provision for gratuity	43.08	13.29
Share in associates	174.17	201.74
Share in JV	(61.84)	(176.20)
Provision for impairment	769.35	38.88
Profit on sale of assets	(4.80)	(14.99)
Excess credit written back	(783.56)	(849.41)
Irrecoverable debts and advances written off	2,052.25	103.91
ESOP compensation expenses	1.08	4.09
OPERATING PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES	**2,759.19**	**2,141.65**
Adjustment for changes in:		
Trade and other receivables	1,632.55	(3,282.06)
Inventories	(1,409.79)	(198.99)
Trade and other payables (excluding income tax)	1,027.25	4,783.48
Cash from operations	**4,009.20**	**3,444.08**
Direct tax refund received / (paid)	(122.16)	629.11
NET CASH FROM OPERATING ACTIVITIES (A)	**3,887.04**	**4,073.19**
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase) / adjustments of fixed assets (including capital work in progress and capital advances)	(1,334.76)	(527.14)
Sale of fixed assets	197.22	59.36
Decrease / (Increase) in loans to JV/ associates	31.33	(102.32)
Remeasument of Assets held for sale	196.12	-
Purchase of investments	90.72	0.01
Increase in other bank balances	48.31	24.55
Interest and dividend received	839.86	71.29
NET CASH FROM / (USED IN) INVESTING ACTIVITIES (B)	**68.79**	**(474.24)**

	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Shares	(0.00)	177.80
Proceeds from long term borrowings	1,968.80	514.42
Repayment of long term borrowings	(1,575.08)	(1,561.92)
Dividend paid	-	(0.21)
Finance charges paid	(3,501.42)	(2,797.13)
NET CASH USED IN FINANCING ACTIVITIES (C)	**(3,107.71)**	**(3,667.04)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**848.13**	**(68.09)**
Opening balance of cash and cash equivalents	1,132.49	1,244.79
Balance of cash and cash equivalents	1,980.61	1,176.69

Notes to Cash flow Statement

a) Cash and Cash Equivalents

Cash on hand and balance with banks	1,949.22	1,132.49
Effect of exchange rate changes	31.39	44.21
Closing cash and cash equivalents as restated	1,980.61	1,176.69

b) Cash flow statement has been prepared under the indirect method as set out in Ind AS - 7 specified under Section 133 of the Companies Act, 2013.

c) Reconciliation of liabilities arising from financing activities ₹ Million

March 31, 2021	Opening balance	Cash Flow	Non-Cash Changes	Closing balance
Borrowings (including short term borrowing, long term borrowing & current maturity)	22,958.35	393.72	(427.44)	22,924.63
	22,958.36	**393.72**	**(427.44)**	**22,924.63**

March 31, 2020	Opening balance	Cash Flow	Non - Cash Changes	Closing balance
Borrowings (including short term borrowing, long term borrowing & current maturity)	26,980.07	(1,047.51)	(2,974.21)	22,958.35
Unpaid dividend	0.21	(0.21)		0.00
	26,980.28	**(1,047.72)**	**(2,974.21)**	**22,958.36**

As per our report of even date

For **T.P. Ostwal & Associates LLP**
Firm Regn No:124444W/W100150
Chartered Accountants

Anil A. Mehta
Partner
Membership No. 030529

Place : Mumbai
Date : June 11, 2021

For and on behalf of Board

Rupen Patel
Chairman &
Managing Director
DIN : 00029583

Kavita Shirvaikar
Chief Financial Officer &
Director
DIN : 07737376

Sunil Sapre
Director
DIN : 05356483

Shobha Shetty
Company Secretary
Mem. No.: F10047

Consolidated Statement of Changes in Equity for the year ended March 31, 2021

(A) EQUITY SHARE CAPITAL

Particulars	Number of shares	₹ Million
Equity shares of Re 1 each issued, subscribed and paid		
As at 31 March 2019	16,42,48,506	164.25
Issue of equity shares	24,39,29,786	243.93
As at 31 March 2020	**40,81,78,292**	**408.18**
Issue of equity shares	5,72,74,732	57.27
As at 31 March 2021	**46,54,53,024**	**465.45**

(B) OTHER EQUITY

₹ Million

Particulars	Equity component of compound financial instruments	Reserves and surplus										
		Capital reserve	General reserve	Securities premium	Debenture redemption reserve	Stock option outstanding account	Foreign currency monetary item translation difference	Capital redemption reserve	Surplus in the statement of profit and loss	Total equity attributable to equity holders	Non - controlling interest	Total equity attributable to equity holders
As at March 31, 2019	**-**	**277.57**	**2,827.95**	**12,012.85**	**172.00**	**8.85**	**320.49**	**300.00**	**6,683.17**	**22,602.88**	**565.93**	**23,168.81**
-Profit for the year	-	-	-	-	-	-	-	-	72.01	**72.01**	39.30	**111.31**
-Other comprehensive income for the year	-	-	-	-	-	-	(19.25)	-	(8.31)	**(27.55)**	-	**(27.55)**
-Adjustment during the year	-	-	0.67	-	-	-	-	-	315.79	**316.46**	(274.25)	**42.21**
- Adjustment on account of consolidation of joint venture	-	-	-	-	-	-	-	-	(176.20)	**(176.20)**		**(176.20)**
- adjustment on account fluctuation in foreign exchange	-	-	-	-	-	-	(3.76)	-	-	**(3.76)**	-	**(3.76)**
- Issued during the year	166.69	-	-	-	-	-	-	-	-	**166.69**		**166.69**
- Issue of equity shares	-	-	-	2,139.77	-	-	-	-	-	**2,139.77**		**2,139.77**
- Share issue expenses				(32.61)						**(32.61)**		**(32.61)**
- Stock option	-	-	-	-	-	4.09	-	-	-	4.09	-	4.09
- Transfer from / to debenture redemption reserve	-	-	172.00	-	(172.00)	-	-	-	-	**-**	-	**-**
As at March 31, 2020	166.69	277.57	3,000.62	14,120.00	-	12.93	297.48	300.00	6,886.48	**25,061.78**	330.98	**25,392.76**

₹ Million

Particulars	Equity component of compound financial instruments	Reserves and surplus										
		Capital reserve	General reserve	Securities premium	Debenture redemption reserve	Stock option outstanding account	Foreign currency monetary item translation difference	Capital redemption reserve	Surplus in the statement of profit and loss	Total equity attributable to equity holders	Non - controlling interest	Total equity attributable to equity holders
- Profit for the year	-	-	-	-	-	-	-	-	(3,027.33)	**(3,027.33)**	119.85	**(2,907.47)**
- Other comprehensive income for the year	-	-	-	-	-	-	88.12	-	(42.84)	**45.28**	-	**45.28**
- Adjustment during the year	-	-		-	-	-	-	-	(1.13)	**(1.13)**	162.07	**160.94**
- Adjustment on account of consolidation of joint venture	-	-	-	-	-	-	-	-	(61.84)	**(61.84)**	-	**(61.84)**
- Adjustment on account fluctuation in foreign exchange	-	-	-	-	30.64	-	-	-	32.92	**63.56**	-	**63.56**
- Issued during the year	(166.69)	-	-	-	-	-	-	-	-	**(166.69)**	-	**(166.69)**
- Issue of equity shares	-	-	-	819.97	-	-	-	-	-	**819.97**	-	**819.97**
- Stock option	-	-	-	-	-	(11.37)	-	-	7.98	**(3.39)**	-	**(3.39)**
As at March 31, 2021	**-**	**277.57**	**3,000.62**	**14,939.97**	**30.64**	**1.56**	**385.60**	**300.00**	**3,794.24**	**22,730.21**	**612.90**	**23,343.11**

Capital reserve : The Company recognizes reserve on investment in parthnership firm.

General Reserve: The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to earlier provision of the Companies Act, 1956. Mandatory transfer to general reserve is not required under the Act.

Securities premium: Securities premium is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, equity related expenses like underwriting costs, etc.

Debenture redemption reserve: The Company is required to create a debenture redemption reserve out of the profits which are available for payment of dividend to be utilised for the purpose of redemption of debentures in accordance with the provisions of the Act.

Stock Option Outstanding Account: The Company has share option schemes under which options to subscribe for the Company's shares have been granted to certain employees. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

Capital redemption reserve: The company has recognised Capital Redemption reserve on buyback of preference shares from its retained earning. The amount in capital redemption reserve is equal to nominal amount of preference share bought back.

Surplus in the statement of profit and loss: Retained earning are the profits that the company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders

Foreign currency monetary item translation difference : Exchange difference on translating the financial statement of foreign operations.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

NOTE : 1

1.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

Patel Engineering Ltd. ('the Company') has prepared consolidated financial statements to provide the financial information of its activities along with its subsidiaries, associates and joint ventures as a single entity. They are collectively referred as "Group" herein.

The consolidated financial statements of the group have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS"") as specified under section 133 of the Companies Act 2013 read together with the Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and amendment thereof issued by Ministry of Corporate Affaires in exercise of the power conferred by section 133 of the Companies Act 2013 and the other relevant provisions of the Act, pronouncements of the regulatory bodies applicable to the company.

These consolidated financial statement have been approved for issue by Board of Directors at their meeting held on June 11, 2021.

b) Basis of preparation

The consolidated financial statements are prepared under the historical cost convention, on a going concern basis and accrual method of accounting, except for certain financial assets and liabilities as specified in defined benefit plans which have been measured at actuarial valuation as required by relevant Ind AS. The accounting policies applied are consistent with those used in the previous year, except otherwise stated.

The consolidated financial statements are presented in Indian Rupees and all values are rounded to the nearest millions (Rupees 000,000), except where otherwise indicated. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding off.

c) Principles of consolidation

(i) The consolidated financial statements include the accounts of Patel Engineering Ltd. and its subsidiaries, associates and joint ventures.

(ii) The financial statements of joint ventures are consolidated to the extent of the Company's or its subsidiaries share in joint venture.

(iii) The financial statements of the Company including joint operations and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses fully eliminating material intra group balances and intra group transactions. Associate entities are consolidated as per the equity method.

(iv) Goodwill arising out of Consolidation of financial statements of subsidiaries and joint ventures are tested for impairment at each reporting date.

The consolidated financial statement have been prepared by the Company in accordance with the requirements of Ind AS –110 "Consolidated Financial Statements", Ind AS -111 "Joint Arrangements" and Ind AS 28 "Investment in Associates and Joint Ventures", issued by the Ministry of Corporate Affairs.

Notes to these consolidated financial statements are intended to serve as a means of informative disclosure and a guide to better understanding. Recognizing this purpose, the Company has disclosed only such notes from the individual financial statements, which fairly present the needed disclosure.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

d) Current/Non-current classification

The Group as required by Ind AS 1 presents assets and liabilities in the Balance Sheet based on current / non-current classification.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The Company has ascertained its operating cycle as twelve months for the purpose of Current / Non-Current classification of its Assets and Liabilities, as it is not possible to identify the normal operating cycle.

e) Method of accounting

The Group maintains its accounts on accrual basis. Subsidiaries outside India maintain its accounts based on Generally Accepted Accounting Standards of their respective countries.

f) Critical accounting estimates and judgements

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Revisions to accounting estimates are recognized prospectively.
The areas involving critical estimates or judgements are:

- Measurement of defined benefit obligation

- Estimation of useful life of property, plant and equipment and intangibles

- Recognition of deferred taxes

- Estimation of impairment

- Estimation of provision and contingent liabilities

g) Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition including attributable interest and finance costs till the date of acquisition/ installation of the assets and improvement thereon less accumulated depreciation and accumulated impairment losses, if any.

Cost comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use. Property, plant and equipment costing ₹ 5,000 or less are not capitalized and charged to the Consolidated Statement of Profit and Loss.

Machinery Spares that meet the defination of PPE are capitalised.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

The carrying amount of an items of PPE are derecognised on disposal or when no future economic benefits are expected from its use or disposal."

h) Depreciation

As per the Schedule II of the Companies Act 2013, effective April 01, 2014, the management has internally reassessed the useful lives of assets to compute depreciation wherever necessary, to conform to the requirements of the Companies Act, 2013 which is:

Assets	Estimated useful life
Factory building/ building	28/60 years
Machinery/ ship	8 ½ years
Motor cars/ motor truck	8 years
Furniture/ electrical equipments	6 years
Office equipments	5 years
Computer / software	3 years

Depreciation on leasehold land will be amortized after commencement of operation of the power house. It will be amortized over the useful life of the lease.

Michigan Engineers Private Limited and Shreeanant Constructions Private Limited provide depreciation on written down value method and based on useful life of the assets as prescribed in schedule II of the Companies Act, 2013 and in onsite Michigan JV and Michigan Savitar Consortium as specified in the Income tax Act.

The estimated useful life of Patel Michigan JV - motor car - 10 years, motor truck - 6 years, office equipments - 5 years, container - 3 years.

For overseas subsidiaries depreciation is provided based on estimated useful lives of the property, plant and equipment as determined by the management of such subsidiaries. In view of different sets of environment in which such entities operate in their respective countries, depreciation is provided based on the management experience of use of assets in respective geographies, local laws and are in line with the industry practices. These entities follow straight line method of depreciation spread over the useful life of each individual asset. It is practically not possible to align rates of depreciation of such subsidiaries with those of the domestic entities.

i) Impairment of non-financial assets

The carrying amount of assets/cash generating units are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized in the consolidated statement of profit and loss whenever the carrying amount of an asset or cash generating unit exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

j) Inventories

The stock of construction materials, stores, spares and embedded goods and fuel is valued at cost (on weighted average basis), or net realizable value, whichever is lower and work in progress of construction contracts at contract rate. Work in progress in respect of project development and buildings held as stock-in-trade are valued at cost or net realizable value, whichever is lower.

Project work in progress is valued at contract rates and site mobilization expenditure of incomplete contracts is stated at lower of cost or net realizable value.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

k) Recognition of income and expenditure

i) The company constructs various infrastructure projects on behalf of clients. Under the terms of the contracts, the company is contractually restricted from redirecting the properties to another customer and has an enforceable right to payment for work done. Revenue is therefore recognised over a period of time on a cost to cost method, i.e. based on the stage of completion at the balance sheet date, billing schedules at agreed contract terms with the client on a progressive completion basis. This is achieved by estimating total revenue including claims / variations and total cost till completion of the contract and the profit is recognised in proportion to the value of work done when the outcome of the contract can be estimated reliably. Revenue also includes claims / variations when it is highly probable of recovery based on estimate and assessment of each item by the management based on their judgment of recovery. The management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under Ind AS 115.

The company becomes entitled to invoice customers for construction based on achieving a series of performance related milestones. When a particular milestone is achieved, the customer is sent a statement of work completed assessed by expert. Previously recognised contract asset for any work performed is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date under the cost-to-cost method then the company recognises a contract liability for the difference.
Revenue from trading and consultancy service are recognises when it transfers control of a product or service to a customer.

ii) The company constructs and sells residential properties under long-term contracts with customers. Such contracts are entered into before or after construction of the residential properties begins. Under the terms of the contracts, the company is contractually restricted from redirecting the properties to another customer and does not have an enforceable right to payment for work done. Revenue from construction of Real Estate properties is therefore recognised at a point of time.
Revenue from building development is measured based on the consideration to which the company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

l) Foreign currency transaction/translations

Transactions in foreign currency including acquisition of property, plant and equipment are recorded in the functional currency (Indian Rupee) by applying to the foreign currency amount, at the prevailing exchange rates between the functional currency and foreign currency on the date of the transaction. All monetary assets and monetary liabilities in foreign currencies are translated at the relevant rates of exchange prevailing at the year-end. Exchange differences arising out of payment/restatement of long term liabilities relating to property, plant and equipment are capitalized and in other cases amortized over the balance period of such long term monetary items. The unamortized balance is carried in the Balance Sheet as "Foreign currency monetary items translation difference account" as a separate line item under " Other equity".

Revenue transactions at the foreign branch/projects are translated at average rate. Property, plant and equipment are translated at rate prevailing on the date of purchase. Net exchange rate difference is recognized in the statement of profit and loss. Depreciation is translated at rates used for respective assets.

However, Michigan Engineers Private Limited opted to recognize the exchange differences in the Statement of Profit and Loss.

Revenue items of overseas subsidiaries are translated into Indian rupees at average rate and all other monetary/non monetary items are translated at closing rate. Net exchange rate difference is recognized as foreign exchange translation reserve.

m) Financial instrument:

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

(I) Financial asset:

Initial recognition and measurement :

All financial instruments are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through the statement of profit and loss, transaction costs that are attributable to the acquisition of the financial asset, purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date i.e. the date that the Group commits to purchase or sell the asset.

Subsequent measurement :

For the purpose of subsequent measurement financial assets are classified as measured at:

- Amortized cost
- Fair value through profit and loss (FVTPL)
- Fair value through other comprehensive income (FVTOCI).

(a) Financial asset measured at amortized cost :

Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognized as finance income in the consolidated statement of profit and loss. The Group while applying above criteria has classified the following at amortized cost:

(a) Trade receivables

(b) Investment in subsidiaries

(c) Loans

(d) Other financial assets

(b) Financial assets Measured at fair value through other comprehensive income :

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Consolidated Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognized in OCI is reclassified from the equity to 'other income' in the Consolidated statement of profit and loss.

(c) Financial assets at fair value through profit or loss (FVTPL) :

Financial asset are measured at fair value through profit and loss if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the Consolidated statement of profit and loss.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

Equity instruments

All investments in equity instruments classified under financial assets are initially measured at fair value , the group may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL.

De-recognition of financial assets:

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred and the transfer qualifies for derecognition. On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured on the date of recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in the consolidated statement of profit and loss.

Impairment of financial assets:

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model by adopting the simplified approach using a provision matrix reflecting current condition and forecasts of future economic conditions for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance

(b) Financial assets that are debt instruments and are measured at FVTOCI.

(c) Lease receivables under Ind AS 17.

(d) Trade receivables or any contractual right to receive cash or another financial asset

(e) Loan commitments which are not measured at FVTPL

(f) Financial guarantee contracts which are not measured at FVTPL

(II) Financial liability

Initial recognition and measurement :

Financial liabilities are recognized initially at fair value plus any transaction cost that are attributable to the acquisition of the financial liability except financial liabilities at FVTPL that are measured at fair value.

Subsequent measurement :

Financial liabilities are subsequently measured at amortized cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognized in the consolidated statement of profit and loss.

Financial liabilities at amortized cost:

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount.

The Group is classifying the following under amortized cost

- Borrowings from banks
- Borrowings from others
- Trade payables
- Other financial liabilities

Derecognition:

A financial liability shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires. The difference between the carrying amount and fair value of the liabilities shall be recognized in the consolidated statement of profit and loss.

n) **Financial derivative and hedging transactions**

In respect of financial derivative and hedging contracts, gain / loss are recognized on mark-to-market basis and charged to the consolidated statement of profit and loss along with underlying transactions.

o) **Fair value measurement**

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

p) **Employee benefits**

Short term employee benefits :

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans :

Contribution towards provident fund/family pensions are made to the recognized funds, where the Group has no further obligations. Such benefits are classified as defined contribution schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis.

Defined benefit plans :

Provision for incremental liability in respect of gratuity and leave encashment is made as per independent actuarial valuation on projected unit credit method made at the year-end.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI). Net interest expense /(income) on the net defined liability /(assets) is computed by applying the discount rate, used to measure the net defined liability /(asset). Net interest expense and other expenses related to defined benefit plans are recognized in consolidated statement of profit and loss.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

q) **Taxation**

Current tax:

Provision for current tax is recognized based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961.

Deferred tax:

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the balance sheet dates. The effect on the deferred tax assets and liabilities of a change in tax rate is recognized in the period that includes the enactment date. Deferred tax assets are recognized only to the extent there is virtual certainty of realization in future.

Transaction or event which is recognised outside Profit or Loss, either in Other Comprehensive Income or in equity, is recorded along with the tax as applicable.

r) **Provisions, contingent liabilities and contingent assets**

The Group recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote , no provision or disclosure is made.

Contingent assets are disclosed where an inflow of economic benefits is probable.

s) **Employees stock option plan**

Compensation expenses under "Employee Stock Option Plan" representing excess of fair price of the 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.

t) **Borrowing cost**

Borrowing costs directly attributable and identifiable to the acquisition or construction of qualifying assets are capitalized till the date such qualifying assets are ready to be put to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are charged to consolidated statement of profit and loss as incurred.

u) **Leases**

As per IND AS 116

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, group's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee, or if group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of 12 months. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

v) Business combinations

Business Combinations have been accounted for using the acquisition method as per Ind AS 103.
The cost of an acquisition is measured at the fair value of the asset transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred.
Business Combinations between entities under common control are accounted for at carrying value.
Transaction costs that the Group incurs in connection with a business combination are expensed as incurred.

w) Earning per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

x) Preliminary and preoperative expenses

In respect of certain subsidiaries preliminary and preoperative expenses are written off commencement of operation.

y) Non-current assets held for sale and discontinuoed operation

Non-current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

z) Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2021.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

PROPERTY, PLANT AND EQUIPMENT AS AT MARCH 31, 2021

₹ Million

Particulars	Gross Block						Depreciation						Net Book Value	
	As at April 1, 2020	Addition	Deduction/ Retirement	Sub Total	Foreign Currency Fluctuation	As at March 31, 2021	As at April 1, 2020	For the year	Deduction	Sub Total	Foreign Currency Fluctuation	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
TANGIBLE ASSETS														
Land[1]	2,590.38	1.32	124.68	2,467.02	(2.57)	2,464.45	-	-	-	-	-	-	2,464.45	2,590.38
Building[2]	621.65	0.65	(1.12)	623.42	(0.08)	623.34	195.08	13.66	(0.43)	209.18	(0.33)	208.85	414.49	426.57
Plant and equipment[3]	5,997.21	1,541.73	48.81	7,490.13	0.17	7,490.30	3,953.30	461.03	17.23	4,397.10	0.17	4,397.27	3,093.03	2,043.91
Furniture and fixtures	95.77	1.19	1.65	95.31	0.13	95.44	90.13	1.58	1.64	90.07	0.13	90.20	5.24	5.64
Vehicles[4]	1,302.12	84.34	(6.11)	1,392.57	0.13	1,392.70	1,055.71	85.45	(2.41)	1,143.57	0.13	1,143.70	249.00	246.42
Office equipments	62.69	0.99	0.49	63.19	0.08	63.27	57.98	1.72	0.48	59.22	0.08	59.30	3.97	4.71
Others[5]	40.07	-	-	40.07	-	40.07	28.09	0.89	-	28.98	-	28.98	11.09	11.98
Electric equipment	92.42	21.66	0.64	113.44	-	113.44	70.40	7.89	0.64	77.65	-	77.65	35.79	22.02
Computer equipments	118.57	15.26	1.01	132.82	0.11	132.93	97.66	9.05	1.00	105.71	0.11	105.82	27.11	20.90
Container	9.77	1.58	-	11.35	-	11.35	5.42	1.12	-	6.54	-	6.54	4.81	4.35
Total	**10,930.65**	**1,668.72**	**170.04**	**12,429.32**	**(2.03)**	**12,427.29**	**5,553.77**	**582.40**	**18.15**	**6,118.02**	**0.29**	**6,118.31**	**6,308.98**	**5,376.87**
RIGHT TO USE														
Building	83.79	0.13	80.24	3.69		3.69	22.96	19.47	40.12	2.30		2.30	1.38	60.83
Plant and Equipment	469.46	-	0.55	468.91		468.91	132.32	117.80	0.15	249.97		249.97	218.94	337.14
Vehicles	12.06			12.06		12.06	2.20	1.46		3.66		3.66	8.40	9.86
Total	**565.32**	**0.13**	**80.80**	**484.65**	**-**	**484.65**	**157.48**	**138.72**	**40.27**	**255.94**	**-**	**255.94**	**228.71**	**407.84**
Less : Transferred to Capital WIP								2.50	-	-				
TOTAL PPE AND RIGHT TO USE	**11,495.96**	**1,668.85**	**250.84**	**12,913.97**	**(2.03)**	**12,911.94**	**5,711.25**	**718.62**	**58.42**	**6,373.95**	**0.29**	**6,374.24**	**6,537.69**	**5,784.71**
INTANGIBLE ASSETS														
Computer software	59.48	1.64	-	61.12	-	61.12	55.62	1.63	-	57.25	-	57.25	3.87	3.86
Goodwill	283.86	-	-	283.86	-	283.86	-	-	-	-	-	-	283.86	283.86
Total	**343.34**	**1.64**	**-**	**344.98**	**-**	**344.98**	**55.62**	**1.63**	**-**	**57.25**	**-**	**57.25**	**287.73**	**287.72**
Capital Work-In-Progress	11,408.35	55.50	4,670.95	6,792.90	(6.84)	6,786.06	-	-	-	-	-	-	6,786.06	11,408.35
GROSS TOTAL	**23,247.65**	**1,725.99**	**4,921.79**	**20,051.86**	**(8.87)**	**20,042.98**	**5,766.87**	**720.25**	**58.42**	**6,431.20**	**0.29**	**6,431.49**	**13,611.48**	**17,480.78**

Notes

1 Land includes ₹ 5.66 million (PY ₹ 5.66 million) held in the name of directors, relatives of directors and employees for and on behalf of the Company

2 a) Building includes building [gross block - ₹ 444.07 million (PY ₹ 441.09 million), accumulated depreciation ₹ 120.84 million (PY ₹ 105.08 million)] and factory building [gross block - ₹ 182.96 million (PY ₹ 182.96 million), accumulated depreciation ₹ 90.37 million (PY ₹ 75.91 million)]

b) Includes ₹ 0.0083 million (₹ 0.0083 million) being the value of 165 shares (PY 165 shares) and share deposits in Co - operative Societies

3 Includes Assets costing ₹ 37.37 million (₹ 18.81 million) not commissioned/erected/put to use, ₹ Nil (PY ₹ Nil) towards exchange rate difference.

₹ Million

4	Vehicles includes	Gross block 2020-21	Gross block 2019-20	Acc dep. 2020-21	Acc dep. 2019-20
	Motor car	318.54	290.46	237.73	214.34
	Motor truck	1,082.59	1,020.21	906.79	841.01
	Motor cycle	3.62	3.51	2.81	2.55

₹ Million

5	Others include	Gross block 2020-21	Gross block 2019-20	Acc dep. 2020-21	Acc dep. 2019-20
	Ship	0.06	0.06	0.06	0.06
	Rails and trolley	40.01	40.01	28.91	28.02

PROPERTY, PLANT AND EQUIPMENT AS AT MARCH 31, 2020

₹ Million

Particulars	Gross Block						Depreciation						Net Book Value	
	As at April 1, 2019	Addition	Deduction/ Retirement	Sub Total	Foreign Currency Fluctuation	As at March 31, 2020	As at April 1, 2019	For the year	Deduction	Sub Total	Foreign Currency Fluctuation	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
TANGIBLE ASSETS														
Land[1]	2,543.51	42.62	4.88	2,581.25	9.13	2,590.38	-	-	-	-	-	-	2,590.38	2,543.51
Building[2]	624.05	0.03	4.62	619.46	2.19	621.65	173.77	20.11	1.19	192.69	2.39	195.08	426.57	450.28
Plant and equipment[3]	6,162.12	561.46	726.26	5,997.32	(0.11)	5,997.21	4,273.79	396.81	717.21	3,953.38	(0.08)	3,953.30	2,043.91	1,888.33
Furniture and fixtures	101.59	0.98	6.71	95.86	(0.09)	95.77	92.91	3.99	6.68	90.22	(0.09)	90.13	5.64	8.68
Vehicles[4]	1,273.18	62.01	32.99	1,302.20	(0.08)	1,302.12	1,004.00	83.96	32.17	1,055.79	(0.08)	1,055.71	246.42	269.19
Office equipments	63.17	1.31	1.76	62.72	(0.03)	62.69	57.89	1.84	1.72	58.01	(0.03)	57.98	4.71	5.28
Others[5]	39.59	0.48	-	40.07	-	40.07	27.21	0.88	-	28.09	-	28.09	11.98	12.38
Electric equipment	82.05	10.70	0.33	92.42	-	92.42	63.23	7.47	0.30	70.40	-	70.40	22.02	18.82
Computer equipments	100.38	19.16	0.90	118.64	(0.07)	118.57	92.77	5.87	0.91	97.73	(0.07)	97.66	20.90	7.60
Container	16.14	1.35	7.72	9.77	-	9.77	12.23	0.85	7.66	5.42	-	5.42	4.35	3.91
Total	**11,005.78**	**700.09**	**786.17**	**10,919.71**	**10.94**	**10,930.65**	**5,797.80**	**521.78**	**767.84**	**5,551.73**	**2.04**	**5,553.77**	**5,376.87**	**5,207.98**
RIGHT TO USE[6]														
Building	-	83.79	-	83.79	-	83.79	-	22.96	-	22.96	-	22.96	60.83	-
Plant and Equipment	267.94	201.52	-	469.46	-	469.46	14.50	117.81	-	132.32	-	132.32	337.14	253.44
Vehicles	12.06	-	-	12.06	-	12.06	0.69	1.51	-	2.20	-	2.20	9.86	11.37
Total	**280.00**	**285.32**	**-**	**565.32**	**-**	**565.32**	**15.20**	**142.28**	**-**	**157.48**	**-**	**157.48**	**407.84**	**264.80**
Less : Transferred to Capital WIP								5.76	-	5.76				
TOTAL PPE AND RIGHT TO USE	**11,285.78**	**985.41**	**786.17**	**11,485.02**	**10.94**	**11,495.96**	**5,812.99**	**658.30**	**767.84**	**5,709.21**	**2.04**	**5,711.25**	**5,784.71**	**5,472.79**
INTANGIBLE ASSETS														
Computer software	57.31	2.27	0.10	59.48	-	59.48	52.13	3.56	0.07	55.62	-	55.62	3.86	5.18
Goodwill	306.96	-	23.10	283.86	-	283.86	-	-	-	-	-	-	283.86	306.96
Total	**364.27**	**2.27**	**23.20**	**343.34**	**-**	**343.34**	**52.13**	**3.56**	**0.07**	**55.62**	**-**	**55.62**	**287.72**	**312.14**
Capital Work-In-Progress	10,627.45	797.59	21.95	11,403.09	5.26	11,408.35	-	-	-	-	-	-	11,408.35	10,627.45
GROSS TOTAL	**22,277.50**	**1,785.27**	**831.32**	**23,231.45**	**16.20**	**23,247.65**	**5,865.12**	**661.86**	**767.91**	**5,764.83**	**2.04**	**5,766.87**	**17,480.78**	**16,412.37**

Notes

1 Land includes ₹ 5.66 million (PY ₹ 7.09 million) held in the name of directors, relatives of directors and employees for and on behalf of the Company

2 a) Building includes building [gross block - ₹ 441.09 million (PY ₹ 438.45 million), accumulated depreciation ₹ 105.08 million (PY ₹ 97.76 million)] and factory building [gross block - ₹ 182.96 million (PY ₹ 182.96 million), accumulated depreciation ₹ 75.91 million (PY ₹ 75.91 million)]

b) Includes ₹ 0.0083 million (₹ 0.0083 million) being the value of 165 shares (PY 165 shares) and share deposits in Co - operative Societies

c) Additon to Land and Building includes ₹Nil million (₹,64.90 million) transferred from Project Development Expenses

3 Includes Assets costing ₹ 18.81 million (₹ Nil million) not commissioned/erected/put to use, ₹ Nil (PY ₹0.47 million) towards exchange rate difference.

₹ Million

4	Vehicles includes	Gross block 2019-20	Gross block 2018-19	Acc dep. 2019-20	Acc dep. 2018-19
	Motor car	290.46	273.69	214.34	203.69
	Motor truck	1,020.21	998.94	841.01	789.36
	Motor cycle	3.51	3.17	2.55	2.26

₹ Million

5	Others include	Gross block 2019-20	Gross block 2018-19	Acc dep. 2019-20	Acc dep. 2018-19
	Ship	0.06	0.06	0.06	0.05
	Rails and trolley	40.01	39.53	28.02	27.15

6. On account of adoption of IND AS 116, Group has recognised the right to use asset of ₹ 281. 91 Million (PY Nil) on 1st April 2019. These assets includes ₹ 201.52 (PY Nil) in Plant and Machinery and ₹ 80.38 (PY Nil) in building.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

NOTE : 3

INVESTMENT

	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
NON- CURRENT INVESTMENTS		
- In equity instrument at cost, unquoted		
20,207 shares (20,207) of ASI Constructors INC. par value US $ 0.0099 per share	-	-
- In preference instruments at cost, unquoted		
59,375 shares (59,375) of ASI Const. Inc, Par value US$ 100 per share	-	-
Other equity investments at cost- unquoted		
In joint ventures	16.84	12.70
In associates		
Other Investments (Accounted under equity method)		
26,672,000 shares (26,672,000) of Raichur Sholapur Transmission Company Ltd., F.V. ₹ 10/- per share	173.53	241.01
10,006,000 shares (10,006,000) of Patel KNR Heavy Infrastructures Limited, F.V. ₹10/- per share	169.35	119.35
52,600 shares (52,600) of Pan Realtors Pvt. Ltd. Face Value ₹ 10 per share	-	-
5,000 shares (5,000) of PLS Private Limited, F.V. LKR.10/- per share	4.04	-
8,495,040 Shares (8,495,040) of ACP Tollways Private Limited, F.V. ₹ 100/- per share (includes goodwill of ₹ 2.77 million)	246.99	407.73
2,40,19,600 shares (2,40,19,600) of Hitodi Infrastructure Ltd. Face Value ₹10 per share	(0.00)	(0.00)
	593.91	**768.08**
Investment in government securities IV	0.14	0.12
Investment by joint venture	76.00	76.00
Investment in partnership firms V	0.01	0.03
Investment in mutual funds (At FVTPL, quoted)	5.50	0.52
Total	**692.40**	**857.45**
Less : Provision for impairment III	13.50	67.70
TOTAL NON -CURRENT INVESTMENT	**678.90**	**789.75**

I. Aggregated amount of unquoted investments as at March 31, 2021 ₹ 673.39 million (PY ₹ 789.20 million).

II. Aggregated amount of quoted investments as at March 31, 2021 ₹ 5.50 million, Market value ₹ 5.50 million (PY ₹ 0.52 million, Market value ₹ 0.52 million).

III. Aggregated amount of impairment in value of investments as at March 31, 2021 ₹ 13.50 million (PY ₹ 139.70 million) (Also refer note 13).

IV. Includes investment in national saving certificates, in the name of directors, lodged with project authorities.

V. In AHCL-PEL partnership firm – AHCL & Pravin Patel have settled the ongoing arbitration and the other partners shall continue to run the firm. PEL had retired from the firm and the corresponding share of Mr. Pravin Patel was increased.

In Patel Advance JV partnership firm, Group having fixed capital of ₹ 0.04/- million. In the firm, partnership sharing has been as follows : the Group 38.5% (PY26%), Advance Construction Co. Pvt. Ltd. 12.5% (PY 12.5%), Mr. Sandeep Das 25% (25%) & Mascot Developers Pvt. Ltd. 24% (PY 24%).

Notes to Consolidated Financial Statements for the year ended March 31, 2021

NOTE : 4
TRADE RECEIVABLES

	Non-Current		Current	
	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Unsecured, considered good unless otherwise stated				
Receivables outstanding for a period exceeding six months				
Considered good	4,359.43	4,542.62	2,900.03	1,903.56
Considered doubtful	-	-	5.12	5.12
	4,359.43	**4,542.62**	**2,905.15**	**1,908.69**
Less : Provision for doubtful debts	-	-	5.12	5.12
(A)	**4,359.43**	**4,542.62**	**2,900.03**	**1,903.56**
Other receivables				
Considered good (B)	61.40	191.01	1,436.32	1,371.49
(A+B)	**4,420.83**	**4,733.64**	**4,336.35**	**3,275.06**

I There is no trade receivable due from any director or any officer of the company, either severally or jointly with any other person, or form any firms or private companies in which any director is a partner, a director or a member.

II Trade Receivables, except receivables on account of claims awarded in arbitration in favour of the group, are non-interest bearing and are generally on term of 30 to 90 days.

III Trade Receivable net of advances received against arbitration awards/claims of ₹ 3,381.25 million (PY ₹ 1,788.62 million).

NOTE : 5
LOANS

	Non-Current		Current	
	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Balance in current account with associates / joint ventures / partnership firms				
Unsecured, considered good	704.41	853.34	297.37	845.02
Balance which have significant increase in credit risk	101.45	15.04	14.71	27.30
	805.86	**868.38**	**312.08**	**872.32**
Less: Provision for impairment	101.45	15.04	14.71	27.30
	704.41	**853.34**	**297.37**	**845.02**

NOTE : 6
OTHER FINANCIAL ASSETS

	Non-Current		Current	
	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Cash and bank balance				
- On fixed deposits accounts with scheduled banks*	1,288.72	532.22	-	-
Deferred finance cost	60.85	75.82	-	-
Secured deposit				
Unsecured, considered good	8.73	5.90	774.34	912.90
Others	**9.04**	**0.17**	**0.67**	**0.59**
	1,367.34	**614.10**	**775.01**	**913.49**

* Includes amount given towards margin money and earnest money deposits

Notes to Consolidated Financial Statements for the year ended March 31, 2021

NOTE : 7
DEFERRED TAX ASSETS

	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Retaled to depreciation on property, plant and equipment	79.87	79.87
Carry forward of an unused tax credit	620.98	-
Other disallowances under the income tax act	1,301.94	1,095.07
	2,002.80	**1,174.94**

Components of deferred income tax assets and liabilities arising on account of temporary differences are:

	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Deferred income tax liability		
Timing difference on tangible and intangible assets depreciation and amortization	(71.15)	(105.42)
Others	(0.13)	(10.08)
Deferred income tax asset		
Disallowances on account of income tax act	1,400.59	1,237.19
Timing difference on tangible and intangible assets depreciation and amortisation	49.24	53.24
Carry forward of an unused tax credit	620.98	-
Other	3.25	-
Total deferred tax assets (net)	**2,002.80**	**1,174.94**

NOTE : 8
CURRENT TAX ASSETS (NET)

	Non-Current		Current	
	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Advance tax (net)[1]	130.98	141.14	120.42	13.31
	130.98	**141.14**	**120.42**	**13.31**

1 Includes advance tax which is net of provision for tax ₹ 2.50 million (PY ₹ 117.21 million).

2 A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income taxes is as below:

	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Profit / loss before income tax	(3,438.12)	547.20
Income tax expense calculated at 34.944%	(1,201.42)	262.44
Effect of expenses not allowed for tax purpose	257.70	14.28
Effect of income not considered for tax purpose	(9.54)	(5.24)
Others	1,065.23	(60.11)
	111.98	**211.37**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

NOTE : 9
OTHER ASSETS

	Non-Current		Current	
	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Capital advance				
Secured, considered good				
Unsecured, considered good	145.33	697.94	-	-
Security deposit				
Unsecured, considered good	2,930.47	3,631.79	1,226.38	1,398.61
Advance recoverable				
Secured, considered good				
Unsecured, considered good	455.32	514.56	4,004.86	4,213.98
Doubtful	527.49	527.49	-	-
Prepaid expenses	197.71	84.03	388.53	242.20
Balance with statutory authorities	918.10	331.82	1,364.47	1,439.70
Accrued interest	1,218.43	1,743.84	29.89	27.38
Preoperative and preliminary expenses	749.40	640.62	-	-
Advance to suppliers	-	14.00	40.60	126.19
Other advances	1.50	2.76	257.94	235.13
Receivable on account of sale of long term investments	-	-	51.88	66.88
Non trade receivables	-	0.01	25.50	26.00
Advances to employees	1.91	16.31	38.00	15.90
	7,145.66	**8,205.15**	**7,428.05**	**7,791.98**
Less: Allowance for doubtful advances	527.49	527.49	-	-
Less: Provision for impairment	-	87.09	-	-
	6,618.17	**7,590.58**	**7,428.05**	**7,791.98**

NOTE : 10
INVENTORIES *

	Current	
	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
(At lower of cost or net realizable value)		
Stock of land	4,677.44	5,358.66
Stores, embedded goods and spare parts etc.	1,941.57	1,693.83
(Includes stores in transit ₹ 99.80 Million (PY ₹ 29.09 Million)		
Work in progress	29,683.80	28,609.87
	36,302.81	**35,662.36**

*(As technically valued and certified by the management)

Notes to Consolidated Financial Statements for the year ended March 31, 2021

NOTE : 11
CASH AND CASH EQUIVALENTS

	Current	
	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Balance with banks		
- On current accounts with scheduled banks	1,614.88	919.07
- On fixed deposits accounts with scheduled banks	288.48	102.63
- On fixed deposits accounts with foreign banks	19.54	19.54
- Balances with non scheduled banks	17.21	80.90
- Cheques in hand	0.03	0.03
- Foreign currency in hand	0.23	0.23
Cash on hand	8.85	10.08
	1,949.22	**1,132.49**

NOTE : 12
OTHER BANK BALANCES

	Current	
	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Deposits with maturity more than 3 months but less than 12 months	10.88	4.76
Balances with bank for unpaid dividend	-	-
	10.88	**4.76**

NOTE : 13
ASSETS CLASSIFIED AS HELD FOR SALE

	Current	
	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Investment		
Nil shares (2,22,00,000) of Patel KNR Infrastructures Ltd., F.V. ₹ 10/- per share	-	222.00
14,75,840 shares (14,75,840) of Naulo Nepal Hydroelectric Private Limited, NPR 100/- per share	116.00	116.00
2,50,000 shares (2,50,000) of Bellona Estate Developers Ltd., F.V. ₹ 10/- per share	-	-
Less : Provision for impairment	-	72.00
TOTAL ASSETS CLASSIFIED AS HELD FOR SALE	**116.00**	**266.00**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

NOTE : 14

SHARE CAPITAL AND OTHER EQUITY

		March 31, 2021		March 31, 2020	
		No. of shares	₹ Million	No. of shares	₹ Million
A)	**SHARE CAPITAL**				
a)	**Authorized**				
	Equity shares of ₹ 1/- each	2,750,000,000	2,750.00	2,750,000,000	2,750.00
	Zero Coupon Optionally Convertible Preference Shares of ₹ 1 each*	800,000,000	800.00	800,000,000	800.00
	Preference shares of ₹ 10,000,000 each	-	-	-	-

* On March 20, 2020, the shareholder of the company at its Extra-ordinary General Meeting approved amendment to Memorandum of Association to the extent of sub-dividing the existing 80 (Eighty) Zero Coupon Optionally Convertible Preference Shares of ₹ 1,00,00,000/- each to 80,00,00,000/- (Eighty Crore) Zero Coupon Optionally Convertible Preference Shares of ₹ 1 each.

		March 31, 2021		March 31, 2020	
		No. of shares	₹ Million	No. of shares	₹ Million
b)	**Issued, subscribed and fully paid up**				
	Equity shares of ₹ 1/- each	465,453,024	465.45	408,178,292	408.17
		465,453,024	**465.45**	**408,178,292**	**408.17**

c) **Terms/rights attached to equity shares**

The Company has only one class of shares referred to as equity shares of ₹ 1/- each. Each holder of equity shares is entitled to the same rights in all respects.

Terms/rights attached to Zero Coupon Optionally Convertible Preference shares

The Company has only one class of preference share referred to as Zero Coupon Optionally Convertible preference shares ('OCPS') of ₹ 1/- Each and is convertible at the option of the shareholder within a period of 18 months from the date of allotment of OCPS. The balance remaining, if any, after exercise of all the option before the expiry of 18 months, shall be redeemed after a period of 10 years from the date of allotment or earlier of the option of the Company but not earlier than the Optionally Convertible Debentures issued to the lenders of the Company. The OCPS shall carry a preferential right vis-a-vis equity share of the Company with respect to repayment of capital and there shall be no dividend payable on these OCPS.

		March 31, 2021		March 31, 2020	
		No. of shares	₹ Million	No. of shares	₹ Million
d)	**Reconciliation of equity shares outstanding at the beginning and at end of the year**				
	Outstanding at the beginning of the year	408,178,292	408.18	164,248,506	164.25
	Add :- Issued during the year	57,274,732	57.27	243,929,786	243.93
	Outstanding at the end of the year	**465,453,024**	**465.45**	**408,178,292**	**408.18**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

e) Share held by each shareholder more than 5% Equity shares

		March 31, 2021		March 31, 2020	
	Name of the shareholder	**No. of shares**	**% holding**	**No. of shares**	**% holding**
i)	Raahitya Constructions Pvt. Ltd. (erstwhile Patel Corporation LLP)	185,331,924	39.82	185,331,924	45.40
ii)	Praham India LLP	30,995,882	8.63	30,995,882	7.59
iii)	Mr. Rupen Pravin Patel	34,685,933	7.45	34,685,933	8.50
iv)	Bank of Baroda	20,572,368	4.42	20,572,368	5.04

f) During the previous year Company had made preferential allotment of 53,99,66,397 fully paid-up Zero Coupon Optionally Convertible Preference shares ('OCPS') to a Promoter of the Company pursuant to a contract without payment being received in cash. Out of the above, previous year 37,32,72,000 options were converted into 2,06,00,000 equity shares at a price of ₹ 18.12/- (including security premium of ₹ 17.12/-). Balance 16,66,94,397 OCPS has converted in current year into 91,99,470 equity shares.

Further, During the year, company has made preferential allotment of 4,80,75,262 fully paid-up shares at a price of ₹ 14.78/- (including security premium of ₹ 13.78/-) to a lenders of the subsidiaries pursuant to a one time settlement contract without payment being received in cash.

g) Shares reserved under options

In pursuant to the scheme of Sustainable Structuring of Stressed Assets (S4A scheme), company has converted debt into 0.01% Optionally Convertible Debentures (OCD) with a 7% IRR. Details note related to outstanding option and term of conversion/ redemption of OCD has given under the head of Borrowings.

h) During the previous year the company had issued and allotted 22,33,29,786 equity shares, by way of Right Issue to the existing shareholders of the Company, of face value of ₹ 1 each at the price of ₹ 9 per Equity share (including a premium of ₹ 8 per share) aggregating to ₹ 200.10 crore.

B) OTHER EQUITY - Refer statement of change in equity for details disclosure.

NOTE : 15
BORROWINGS

		Non-Current Portion		Current Maturities	
		March 31, 2021 ₹ Million	**March 31, 2020 ₹ Million**	**March 31, 2021 ₹ Million**	**March 31, 2020 ₹ Million**
I	**Secured Loans**				
a)	Debentures [1]	6,812.12	5,281.00	-	50.00
b)	Term loans				
	- From bank [2]	554.09	2,732.75	540.22	261.71
	- From others [3]	427.90	1,180.02	24.77	201.86
II	**Unsecured Loans**				
	- From related parties	-	-		
	Amount disclosed under "Other financial liabilities" in Note No. 23	-	-	(564.99)	(513.56)
		7,794.11	**9,193.78**	**-**	**-**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

1 Debentures

a) LIC - 11.30% NCD (ISIN INE244B07144) : 11.30% Secured Redeemable Non Convertible Debentures was allotted on September 17, 2012 for a period of 10 years. These debentures have a face value of ₹ 1.0 million each aggregating to ₹ 1,138.00 million (PY ₹1,138.00 million). These NCDs along with the OCDs issued to LIC of ₹ 708.30 (PY 708.30) million is secured against charge on certain land held as stock in trade of the Company and its subsidiaries. The above debentures are listed on The National Stock Exchange of India.

b) During FY 18, S4A (Scheme for Sustainable Structuring of Stressed Assets) 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. Further in FY 19, Implementation from LIC (Life Insurance Corporation of India) & GIC (General Insurance Corporation of India) was completed as per the scheme and Units of OCD under Part B Debt was issued by the company. As part of the above S4A scheme, lenders of the company had converted Part B debt from Working Capital Term Loan (WCTL), Working Capital facilities (CC), Non Convertible Debentures (NCD) & Short Term Loans (STL) facilities into various tranches of Optionally Converted Debentures (OCD). The tranche wise details of OCD allotted during the year and outstanding as on March 31, 2021 are as follows -

Tranche 1. (WCTL) ₹ 1,190.73 million (PY ₹ 1,303.00 million), Tranche 2 (CC) ₹ 2,218.45 million (PY ₹ 2,532.51 million), Tranche 3 (GIC OCD) ₹ 43.90 million (P.Y ₹ 43.90 million), Tranche 4 (SCB STL) ₹ 0 (PY ₹ 50.0) Tranche 5 (NCD) ₹ 0.00 (PY ₹ 1.30 million), Tranche 7 (LIC) ₹ 708.30 million (PY ₹ 708.30 million) & Tranche 9. (STL) ₹ 349.00 million (PY ₹ 349.00 million). These debentures have a face value of ₹ 1000 each aggregating to ₹.4510.38 million as on March 31, 2021 (PY ₹ 4987.91 million).

The OCD's carry a coupon rate of 0.01% p.a. payable annually on March 31 every year, with a Yield to Maturity (YTM) of 7% p.a. payable at the time of maturity, payable from the reference date August 8, 2017 (for Tranches 1,2,4,5,9) and the original repayment schedule for repayment is over a period of 10 years as follows -

At the end of 6th year from reference date, i.e. August 8, 2023 - 5%, end of 7th year, i.e. August 8, 2024 - 20%, end of 8th year, i.e. August 8, 2025 - 25%, end of 9th year, i.e. August 8, 2026 - 25% and end of 10th year, i.e. August 8, 2027 - 25%. For Tranch 3 (GIC) the OCD units were credited effective 1st July 2018 & Tranch 7 (LIC) the OCD Units were credited effective December 17, 2018, with Moratorium of 5 Years and balance payable in 5% in Year 6, 20% in Year 7, 25% each in Year 8, Year 9 & Year 10, from their effective credit date along with the Yield to Maturity of 7% p.a.

Tranche 1 is secured against the same security as for WCTL - refer note 12 - 2 a) below in Term Loan Banks, Working Capital Term Loan note, Tranche 2 is secured against the same security as for CC - refer note 17 - 2) below in Working capital Demand loan Note, Tranche 3 is secured against charge on certain property held as fixed assets of the company and subservient charge on all the property, plant and equipment of the company. Tranche 7 is secured against the same security as for NCD earlier which were issued to LIC - refer note 12 - 1a) above.

Tranche 1 & Tranche 2 are also secured by pledge of 93,50,927 Shares (PY 93,50,927 Shares) of Patel Engineeering Limited held by Mr. Pravin Patel and promoters of the company and pledge of 49% holding of the company in Hitodi Infrastructure Ltd. The said OCDs are also secured by Personal Guarantees of Mr. Rupen Patel . These securities are also for Part A Debt.

Tranche 5 is secured agaisnt the pledge of 93,50,927 Shares (PY 93,50,927 Shares) of Patel Engineeering Limited. held by Mr. Pravin Patel and promoters of the company.

Tranch 9 is secured against the same security as for STL of DBS respectively - refer note 21 - 1) below in Short Term Loans Note.

c) 9.57% Secured Redeemable Non Convertible Debentures was allotted by Patel KNR Infrastructure Limited ('PKIL') on April 2, 2010 for a period of 17 years. These debentures have a face value of ₹ 1.0 million each aggregating to ₹ 2053.80 million including ₹ 237.40 million in short term loan (PY ₹ Nil). These NCDs is secured against entire, present and future, movable and immovables assets of the PKIL. The above debentures are listed on The National Stock Exchange of India.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

d) As per Section 71 of the Companies Act, 2013 the Company had created adequate debenture redemption reserve ('DRR') for the above series of secured redeemable non convertible debenture. However, Ministry of Corporate Affairs('MCA') has issued the notification of DRR on August 16, 2019 which exempt the DRR requirement to a listed entities. On the basis of this notification, company has transferred DRR balance to General Reserve. Further, in terms section 71 read with Rule 18(7)(c) of Companies Share Capital and Debentures Rules, 2014, no deposit / investment was made by the Company as there are no additional debentures which are maturing during the next year 2021-22. PKIL has made adeqate fixed deposit as per section 71 for debenture issued by them and maturing in next financial year.

2 Term loan banks

a) Term loan includes Working Capital Term Loan(WCTL) secured by a First paripassu charge on the receivables more than 180 days, retention deposit, stock of land, immovable property and mortgage over certain lands owned by subsidiary companies, corporate guarantee and pledge of 30% shareholding of subsidiaries owning real estate lands. Mr. Rupen Patel, promoter in their personal capacity and Mr. Muthu Raj to the extent of the value of the property owned by them, has provided personal guarantees for WCTL. Also there is a Charge on escrow accounts of Company, wherein cashflows will be deposited from real estate projects to be developed/monetized by respective companies, Pledge of 93,50,927 Shares (PY 93,50,927 Shares) shares of Patel Engineering Limited held by Mr. Pravin Patel and promoters and 49% Share holding of Hitodi Infrastructures Ltd. held by the Company. The WCTL Term loans were repayable over 1 to 4 years starting FY 2020 to FY 2023. During the current financial year, due to Covid 19 Pandemic, the lenders had invoked One time Restructuring (OTR) which has been implemented subsequently by the lenders and all principal repayments have been shifted by 2 years, accordingly, the balance WCTL is repayable from FY 23 to FY 25. Also, the lenders have sanctioned FITL (Funded Interest Term Loan) on the said debt from March 1, 2021 upto March 31, 2022 and accordingly there are no interest and principal overdue for repayment & outstanding for such loans taken by the company as of date. The rates of Interest for these loans vary between 10%- 13% (floating) linked to Monitoring Institution's base rate.

b) Term loan of ₹ 11.79 million (PY ₹ 0.87 million) Secured by Hypothecation of specified motor vehicles acquired under the said loans. Interest rate ranging from 9.25% to 10.5% and repayment is over in 1-2 years.

c) Term loan of ₹ 348.39 million (PY ₹ 519.51 million) was taken during the financial year 2016-17 and carries interest MCLR (1 Year) + 2.75% p.a. The Loan is repayable starting from Jan. 2019 in 14 quarterly Instalment. The loan is secured by pari passu charge over the current assets of the PBSR Developers Pvt Ltd ('PBSR') including receivables of the PBSR. The charge to cover escrow account established / to be established for the project under PBSR. First pari-pasu charge over about 4 acres land in Gachibowli, Hyderabad owned by the PBSR.

d) During the year Dirang Energy Private Limited (DEPL) has settled their debt with the lenders with the receivable from the company. Therefore outstanding term loan is Nil (PY ₹ 2675.47 million) which was secured by first charge on tangible and intangible assets, both existing in the present and to be acquired in the future in the DEPL. Also, Collaterally secured by pledging of 51% of the equity shares of the DEPL. The rate of interest was 13.25%.

3 From others

a) The Term Loan of ₹ 447.82 million includes loans from Financial Institutions on Equipments, secured against the said Equipments. These loans carried an interest rate of average between 13%-14% on an average, with a repayment period of 3-5 years . This Term Loan with an average rate of interest of 14%-15% with maturity period of 1-3 yrs. Presently there are no interest and principal overdue for repayment & outstanding for such loans taken by the company. The above amount also includes ₹ 260.7 million. (P.Y . 280.0 million) as finance lease against equipments carring an interest rate of 15.51 % with repayment up to 3 years ending January 2025 and starting from May 2020.

b) Term loan of ₹ 4.85 million (PY ₹ 12.15 million) Secured by Hypothecation of specified machineries acquired under the said loan. Interest rate ranging from 9.25% to 12.02% and repayment is over in 3-4 years. Further loan is secured by personal guarantee of managing director of the Michigan Engineers Pvt Ltd.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

c) During the year Dirang Energy Private Limited (DEPL) has settled their debt with the lenders with the receivable from the company. Therefore outstanding term loan is ₹ Nil (PY ₹ 742.52 million) and which was secured by first charge on tangible and intangible assets, both existing in the present and to be acquired in the future in the DEPL. Also, Collaterally secured by pledging of 51% of the equity shares of DEPL. The rate of interest was 13.25%.

NOTE : 16
TRADE PAYABLES

	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,387.90	3,123.30
Capital creditors	391.32	179.15
	4,779.22	**3,302.45**

NOTE : 17
OTHER FINANCIAL LIABILITIES

	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Retention deposits (Contractually to be refunded after 1 year from completion of work)	194.37	156.81
Interest accrued but not due on borrowings	1,283.80	843.19
	1,478.16	**1,000.00**

NOTE : 18
PROVISIONS

	Non-Current		Current	
	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Provision for employee benefits (Refer note 33)				
Provision for gratuity	30.73	31.11	47.59	4.13
Provision for leave entitlements	89.23	71.29	16.18	23.07
	119.96	**102.39**	**63.77**	**27.20**

NOTE : 19
OTHER NON CURRENT LIABILITY

	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Contractee advances	6,532.88	2,594.25
Deposits	163.11	236.20
Other liability	1,031.72	869.33
	7,727.72	**3,699.79**

NOTE : 20
DEFERRED REVENUE

	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Deferred revenue	68.01	75.59
	68.01	**75.59**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

NOTE : 21
BORROWINGS

		March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
I	**Secured loans**		
	Short term loans		
	- From bank [1]	1,349.64	703.82
	- From others	704.65	190.13
	Loans repayable on demand		
	- From bank [2]	11,627.94	11,498.97
II	**Unsecured loans**		
	- From others [3]	100.00	100.00
	- From related parties	783.29	757.95
		14,565.53	**13,250.89**

1 **Short term loan**

a) Includes short term loans from various banks against various immovable properties of company at Interest rate of 11.60% - 12.75% (PY 11.60% - 12.75%) due for rollover in next financial year. Presently there are no interest and principal overdue for repayment & outstanding for such loans taken by the company.

Includes short term loans from others at Interest rate of 15.00% due for rollover in next financial year. FITL has been sanctioned for these loans from March 1, 2021 upto March 31, 2022. Presently there are no interest and principal overdue for repayment & outstanding for such loans taken by the company.

b) During the year, Patel Inc has repaid their secured debt @ 7% p.a. (PY USD 125,000).

2 **Loans repayable on demand**

a) Includes Cash Credit and Working Capital Demand Loan from various Banks. These loans have been given against first charge hypothecation of stocks, spare parts, book debts, work in progress & guarantees; Secured against Pledge of 93,50,927 Shares (PY 93,50,927 Shares) of Patel Engineering Limited held by Mr. Pravin Patel and promoters and 49% Share holding of Hitodi Infrastructures Ltd. held by the Company. It also has second charge on Receivable above 180 days, subservient charge over plant & machinery except specifically charged to any lenders and over certain immovable properties and right over residual cash flow's from sale of real estate charged to WCTL lenders. FITL has been sanctioned for the loans from March 1, 2021 to March 31, 2022.

Terms of Repayment:

Cash Credit- Yearly renewal, Rate of Interest ranges between 10%-12.85% p.a. (PY 10%-12.85% p.a.)

b) i) Includes cash credit of ₹ 285.50 million (PY ₹ 387.10 million) is secured by first pari passu charge on the movable and immovable assets of the MEPL except the assets specifically charged for project/lease based finance. Interest rate ranging from 13% to 14%.

ii) Includes cash credit & Working Capital Demand loan of ₹ 171.50 million (PY ₹ 159.70 million) is secured by first pari passu charge on the current assets and movable fixed assets (including Plant & machinery) of the MEPL except for the assets specifically charged against relevant term loans. Additionally secured by first pari passu charge on the office bearing no. F-27, Commerce Centre and personal guarantee of Managing Director of MEPL. Interest rate ranging from 14% to 15%.

c) Loan of ₹ 292.02 million (PY ₹ 214.42 million) was taken during the financial year 2016-17 and carries interest MCLR (1 Year) + 2.75% p.a. The loan is secured by pari passu charge over the current assets of the PBSR including receivables of the PBSR. The charge to cover escrow account established / to be established for the project. First pari-pasu charge over about 4 acres land in Gachibowli, Hyderabad owned by the PBSR.

3 **Unsecured loan**

It includes short term inter corporate payables to related parties of ₹ 783.29 million (PY ₹ 757.95 million) and other ₹ 100 million (PY ₹ 100 million).

NOTE : 22
TRADE PAYABLES

	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Total outstanding dues of micro enterprises and small enterprises [1]	45.62	23.92
Total outstanding dues of creditors other than micro enterprises and small enterprises	12,050.97	13,674.80
	12,096.59	**13,698.72**

1 The Group has ₹ 45.62 million (PY ₹ 23.92 million) due to suppliers under the Micro Small and Medium Enterprise Development Act, 2006, as at March 31, 2021. Principal amount due to suppliers under the Act is ₹ 34.30 million (PY ₹ 15.24 million). Interest accrued and due to the suppliers on the above amount is ₹ 8.96 million (PY ₹ 4.42 million). Payment made to the suppliers (other than interest) beyond appointed day during the year is ₹ 17.36 million (PY ₹ 19.21 million). Interest paid to the suppliers under the Act is ₹ Nil million (PY ₹ Nil). Interest due and payable to the suppliers under the Act towards payments already made is ₹ 2.35 million (PY ₹ 0.79 million). Interest accrued and remaining unpaid at the end of the accounting year is ₹ 11.31 million (PY ₹ 0.79 million). The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure u/s 23 of the MSMED Act, 2006 is ₹ 9.54 million (PY ₹ 3.48 million).

The above information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act 2006 and has been determined to the extent such parties had been identified on the basis of information available with the Company and relied upon by the auditors.

NOTE : 23
OTHER FINANCIAL LIABILITIES

	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Current maturities of long-term debt	564.99	513.56
Interest accrued but not due on borrowings	110.63	-
Interest accrued and due on borrowings	91.11	249.68
Unpaid dividend	-	-
Deposits	86.36	168.71
Others	0.12	0.12
	853.20	**932.07**

The group has transferred ₹ Nil (PY ₹ 0.21 million) to Investor Education & Protection Fund as at March 31, 2021.

NOTE : 24
OTHER CURRENT LIABILITIES

	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
(a) Other liabilities		
Contractee advances	5,599.66	7,229.46
Other payables		
Payable to employees	560.14	476.36
Other liabilities	962.15	4,075.35
(b) Balance in current account		
(i) With subsidiaries, associates	0.24	0.17
(ii) With joint ventures	394.00	417.58
	7,516.19	**12,198.92**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

NOTE : 25
REVENUE FROM OPERATIONS

		March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
(a)	**Revenue/turnover**	17,842.27	24,641.46
	Add: Increase/(decrease) in work in progress	1,667.55	612.92
	Sale of goods	-	89.76
	Total turnover	**19,509.82**	**25,344.14**
(b)	**Other operating income**		
	Lease and service charges	0.54	1.14
	Share of profit from partnership firm	39.41	-
	Miscellaneous operating income	398.16	826.85
		19,947.93	**26,172.14**

Disaggregation of revenue on the basis of	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Primary geographical market wise		
Domestic	17,587.49	23,358.60
International	2,360.44	2,813.54
Major product/service lines wise	Business Segment	Business Segment
EPC	19,576.84	25,373.22
Real Estate	371.08	798.92
Others	-	-
Timing of revenue recognition wise		
At a point in time	809.19	1,716.67
Over period of time	19,138.74	24,455.47

NOTE : 26
OTHER INCOME

	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Gain on sale of assets (net)	4.80	14.99
Other non operating income	273.09	268.22
Interest income	590.84	924.67
Net gain on foreign currency translation	-	-
Excess credit written back	222.62	503.75
	1,091.35	**1,711.63**

Notes to Consolidated Financial Statements for the year ended March 31, 2021

NOTE : 27
COST OF CONSTRUCTION

	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Stores, embedded goods and spare parts *		
Inventories at the beginning of the year	1,693.83	1,438.02
Add : Purchase (net)	3,898.09	4,847.59
	5,591.92	**6,285.61**
Less : Inventories at the end of the year	1,941.57	1,693.83
Consumption of stores and spares	**3,650.35**	**4,591.78**
Purchase of land / development rights	-	14.68
Corpus fund to society	-	23.01
Piece rate expenses (net)	9,329.43	12,469.94
Repairs to machinery	43.53	37.81
Transportation, hire etc.	619.64	623.90
Power, electricity and water charges	491.30	733.20
Project development cost	30.93	156.09
Technical consultancy fees	176.31	753.55
Other construction costs	248.50	1,639.68
	14,589.99	**21,043.65**

* Stores, embedded goods and Spares etc., consumed include materials issued to sub contractors.

NOTE : 28
EMPLOYEE BENEFITS EXPENSE

	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Salaries, wages and bonus	1,744.50	1,726.22
Contribution to provident and other funds (Refer note no. 33)	176.76	127.06
Employee stock option (ESOP) (Refer note no. 34)	1.08	4.09
Staff welfare expenses	90.98	86.09
	2,013.32	**1,943.45**

NOTE : 29
FINANCE COSTS

	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Interest expense [1]	3,298.87	2,116.98
Other borrowing costs	715.05	545.71
	4,013.92	**2,662.69**

1 Interest capitalized of ₹ Nil (PY ₹ 137.11 million) towards fixed assets and project development expenses.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

NOTE : 30
OTHER EXPENSES

	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Other administrative costs		
Rent	47.36	47.69
Repairs and maintenance - building	0.17	0.52
Insurance	131.79	88.43
Rates and taxes	96.52	244.42
Advertisement and selling expenses	0.79	2.20
Travelling and conveyance	20.96	49.55
Directors fees	1.60	1.78
Auditor's remuneration		
Audit fees	6.05	6.68
Limited Review	0.80	-
Certification	1.04	0.70
Other Service	-	-
	7.89	**7.38**
Communication expenses	13.17	14.96
Printing and stationery	11.16	13.17
Legal and consultancy charges	276.02	343.96
Loss on sale of asset discarded	97.51	1.43
Irrecoverable debts written off / provided	119.01	103.91
Sewage water disposal	-	0.20
Net loss on foreign currency translation	31.39	44.21
Preliminary expenses written off	-	-
Share of loss from associates / joint ventures	-	-
Other expenses	142.93	301.88
	998.26	**1,265.69**

NOTE : 31
EXCEPTIONAL ITEMS :

	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Reversal of receivables on account of assessment [a]	152.23	-
Provision for impairment on non-financials assets [b]	769.35	-
Irrecoverable debts / Assets written off [b]	1,781.01	38.88
Gain on account of one time settlement [c]	(560.94)	(345.66)
	2,141.66	**(306.78)**

a) On account of closing of tax assessment, assets which is no more recoverable has been expenses out.

b) Based on internal and external information, group has assessed the recoverability of non-financials assets including land in stock and provide impairment if the carrying value of assets is more than recoverable amount & assets whose recoverability deteriorate has written off the irrecoverable amount.

c) During the year, group has entered the One Time Settlement (OTS) agreement with lenders for their outstanding debts and interests and resultant gain is accounted as exceptional items.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

32 Details of subsidiaries, associates and joint ventures, which are consolidated:

A) Wholly owned (100%) Subsidiaries:

1. Patel Energy Resources Limited
2. Patel Engineering Inc.
3. Patel Engineering (Mauritius) Limited
4. Patel Engineering (Singapore) Pte. Limited
5. Patel Engineering Infrastructure Limited
6. Patel Concrete and Quarries Private Limited
7. Friends Nirman Private Limited
8. Zeus Minerals Trading Private Limited
9. Patel Patron Private Limited
10. Patel Engineers Private Limited
11. Pandora Infra Private Limited
12. Patel Engineering Lanka Private Limited
13. Shashvat Land Projects Private Limited
14. Vismaya Constructions Private Limited
15. Bhooma Realties Private Limited
16. Patel Lands Limited
17. Energy Design Private Limited
18. Shreeanant Construction Private Limited
19. Hampus Infrastructure Private Limited
20. Apollo Buildwell Private Limited
21. Arsen Infra Private Limited
22. PBSR Developers Private Limited
23. Lucina Realtors Private Limited
24. Waterfront Developers Limited
25. Patel KNR Infrastructures Limited

B) Other Subsidiaries:

	Name of Subsidiaries	% holding
1.	Michigan Engineers Private Limited	51.00%
2.	Hera Realcon Private Limited	97.30%

C) Joint Ventures:

The principal place of business of all these joint ventures is in India and they are engaged in construction business.

	Name of Joint Ventures	% of share
1.	Patel Michigan JV	10.00%
2.	CICO Patel JV	99.90%
3.	Patel SEW JV	60.00%
4.	PATEL –KNR JV	50.00%
5.	KNR – PATEL JV	49.00%
6.	PATEL – SOMA JV	50.00%
7.	Patel – V Arks JV	65.00%
8.	Patel VI JV	51.00%
9.	Patel – Avantika – Deepika – BHEL	52.83%
10.	Patel – V Arks - Precision	60.00%
11.	Age Patel JV	49.00%
12.	PEL - UEIPL JV	60.00%
13.	PEL-PPCPL-HCPL JV	51.00%
14.	Onycon Enterprises	60.00%
15.	PEL-Gond JV	45.00%
16.	HES Shuthaliya JV	45.00%
17.	PEL-Parbati JV	52.00%
18.	NEC-PEL- JV	45.00%
19.	PEL - Ghodke	51.00%
20.	PEL-ISC-PRATHMESH JV	50.00%
21.	ISC Projects-PEL JV	49.00%
22.	M/s Luhri Hydro Power Consortium	60.00%
23.	PATEL-SA JV	75.00%
24.	Era Patel Advance Kiran JV	47.06%
25.	Patel APCO JV	50.00%
26.	Era Patel Advance JV	30.00%
27.	Patel – Siddhivinayak JV	51.00%

D) Hitodi Infrastructure Ltd, Raichur Sholapur Transmission Company Limited, ACP Tollways Private Limited and PAN Realtors Private Limited (w.e.f. January 4, 2015) has been consolidated as per equity method in accordance with Ind AS 28 “Investment in Associates and Joint Ventures”.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

E) As the Group no longer has any control over ASI Constructors Inc., a step-down subsidiary, as per Ind AS 110, the assets and liabilities of the subsidiary has been derecognised in FY 2017-18.

F) Bellona Estate Developers limited and Naulo Nepal Hydroelectric Private Limited are committed to a sale plan involving loss of control of a associates and subsidiary respectively shall classify as the disposal group (comprising the assets that are to be disposed of and directly related liabilities) shall be measured in accordance with the requirements of Ind AS 105 and presented in the consolidated financial statements as disposal group.

33 EMPLOYEE BENEFITS

I Brief description of the Plans

The Group provides long-term benefits in the nature of provident fund and gratuity to its employees. In case of funded schemes, the funds are recognized by the income tax authorities and administered through appropriate authorities/insurers. The Group's defined contribution plans are provident fund, employee state insurance and employees' pension scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) since the Group has no further obligation beyond making the contributions. The Group's defined benefit plans include gratuity benefit to its employees, which is funded through the Life Insurance Corporation of India. The employees of the Group are also entitled to leave encashment and compensated absences as per the Group's policy. The Provident fund scheme additionally requires the Group to guarantee payment of specified interest rates, any shortfall in the interest income over the interest obligation is recognized immediately in the consolidated statement of profit and loss as actuarial loss. Any loss/gain arising out of the investment with the plan is also recognized as expense or income in the period in which such loss/gain occurs.

II Disclosures for defined benefit plan based on actuarial reports as on March 31, 2021 and March 31, 2020:

(i) Expenses recognized in the statement of profit and loss :

₹ Million

		Gratuity (Funded)	Gratuity (Non-funded)
	Current service cost	17.66	7.39
		(14.86)	(5.22)
	Interest cost (net)	4.63	1.81
		(3.35)	(1.46)
	Net actuarial (gain) / losses	57.54	(0.17)
		(10.61)	(1.86)
	Total expenses recognized in the statement of profit and loss	**79.83**	**9.03**
		(28.82)	**(8.54)**
(ii)	**Reconciliation of the present value of defined benefit obligation and the fair value of assets (amount recognized in balance sheet):**		
	Present value of funded obligation as at the year end	(191.76)	(32.14)
		(-118.80)	(-26.50)
	Fair value of plan assets as at the year end	44.43	-
		(51.30)	-
	Funded liability recognized in the balance sheet	**(147.33)**	**(32.14)**
		(-67.50)	**(-26.50)**

₹ Million

		Gratuity (Funded)	Gratuity (Non-funded)
(iii)	**Changes in defined benefit obligation :**		
	Liability at the beginning of the year	118.80	26.50
		(92.88)	(18.80)
	Interest cost	8.15	1.81
		(7.24)	(1.46)
	Current service cost	17.66	7.39
		(14.86)	(5.22)
	Benefit paid	(10.35)	(3.39)
		(-4.35)	(-1.41)
	Actuarial (gains) / losses on obligations	57.50	(0.17)
		(8.18)	(2.43)
	Liability at the end of the year	**191.76**	**32.14**
		(118.80)	**(26.50)**
(iv)	**Changes in the fair value of plan assets:**		
	Fair value of plan assets at the beginning of the year	51.30	-
		(49.85)	-
	Expected return on plan assets	3.52	-
		(3.88)	-
	Contributions by the employer	-	-
		(4.35)	-
	Benefit paid	(10.35)	-
		(-4.35)	-
	Actuarial gain on plan assets	(0.04)	-
		(-2.43)	-
	Fair value of plan assets at the end of the year	44.43	-
		(51.30)	-
	Total actuarial gain to be recognized	**57.54**	**-**
		(10.61)	**-**
(v)	**Actual return on plan assets**		
	Expected return on plan assets	3.52	-
		(3.88)	-
	Actuarial gain on plan assets	(0.04)	-
		(-2.43)	-
	Actuarial gain on plan assets	3.48	-
		(1.45)	-

Notes to Consolidated Financial Statements for the year ended March 31, 2021

₹ Million

		Gratuity (Funded)	Gratuity (Non-funded)
(vi)	The Group expects to contribute ₹ 55.04 million (PY ₹ 47.31 million) to gratuity funded plan in FY 2021-22.		
(vii)	**Percentage of each category of plan assets to total fair value of plan assets:**		
	Insurer managed funds	100%	-
		100%	-
(viii)	**Sensitivity analysis for significant assumption is as below :**		
	Discount rate	6.80%	6.80%
		(6.86%)	(6.82%)
	Rate of increase in compensation levels	5.00%	5.00%
		(5.00%)	(5.00%)
	Expected rate of return on plan assets	6.80%	-
		(6.86%)	-
	Attrition rate	4.00%	4.00%
		(2.00%)	(2.00%)
	Average Age of retirement (years)	60	58
		(60)	(58)
(ix)	**Experience adjustments**		
	On plan obligation (gain)/loss	53.10	(0.07)
		(0.47)	(-0.12)
	On plan asset (loss)/gain	(0.04)	-
		(-2.43)	-
(x)	**Expected Employer's Contribution in future years**		
	1 years	35.55	1.69
		(20.31)	(3.77)
	Between 2 to 5 years	52.02	5.39
		(25.93)	4.96
	Beyond 5 years	254.78	61.93
		(201.88)	(-62.79)
	The weighted average duration of the defined benefit plan obligation at the end of the reporting period (years)	8 (10)	13 (18)
(xi)	Figure in brackets indicates amounts pertaining to previous year.		

III Defined Contribution Plan -:

Amount recognised as an expense and included in the Note no. 28 as Contribution to Provident and other funds ₹ 176.76 million (PY ₹ 127.06 million)

Notes to Consolidated Financial Statements for the year ended March 31, 2021

34 SHARE BASED PAYMENTS (IND AS 102)

In term of the approval of Nomination and Remuneration Committee (NRC), the company on February 14, 2018 has granted 2,00,000 option under the group existing ESOP plan. The aforesaid Grant is made under "Patel Engineering Employees Stock Option Plan" dated August 14, 2015 and in accordance with the provision of SEBI (Share Based Employee Benefits), Regulation 2014.

a) Employee Stock Option Scheme

Particulars	ESOP Scheme
Number of Option granted	200,000
Vesting Plan	4 years (25% every year after 1 year from date of grant)
Exercise Period	6 months from the date of vesting
Grant date	February 14, 2018
Exercise Price (₹ per option)	1
Weighted average Fair value on the date of grant option (in ₹ per shares)	79.86
Method of Settlement	Equity

b) Movement of Option Granted

Particulars	As at March 31, 2021 Nos.	As at March 31, 2020 Nos.
Outstanding at the beginning of the year	150,000	200,000
Grant during the year	-	-
Excercised during the year	75,000	50,000
Cancelled during the year	-	-
Lapsed during the year	50,000	-
Outstanding at the end of the year	25,000	150,000
Exercisable at the end of the year	-	50,000
Weighted average life of options	1 years	2 years

c) Fair valuation:

The fair value on the grant date is determined using "Black Scholes Merton Model", which takes into account exercise price, term of the option, share price at grant date and expected price volatility of the underlying shares, expected dividend yield and risk free interest rate for the term of the option. No options were granted during the year. Weighted Average Fair value of the options granted previous year ₹ 79.86/-.

The Key assumptions in the Black Scholes Merton Model for calculating fair value as on the date of grant is below:

i)	Share price at grant date	₹ 80.70/-
ii)	Weighted average exercise price	₹ 1/-.
iii)	Grant date	February 14, 2018
iv)	Vesting Period	4 years (25% every year after 1 year from date of grant)
v)	Expected price volatility of Company's share	50%
vi)	Expected dividend yield	Nil
vii)	Weighted average Risk free interest rate	7.02%
viii)	Option life	Vesting period + exercise period

Notes to Consolidated Financial Statements for the year ended March 31, 2021

35 LEASE

Disclosure as per IND AS 116

Amount recognised under statement of profit and loss

₹ Million

Particulars	2020-21	2019-20
Depreciation	138.72	142.28
Interest on lease liability	49.98	64.06
Expenses related to Short term Leases	47.36	47.69
Total Expenses	**236.06**	**254.03**

36 EARNING PER SHARE (EPS)

	2021 ₹ Million	2020 ₹ Million
Net profit as per the consolidated statement of profit and loss available for shareholders for both basic and diluted EPS of ₹ 1 each	(2,907.47)	111.31
Weighted average number of equity shares for basic EPS (in No)	428,596,117	285,314,066
Add: Weighted average potential equity shares		
- On issue of optionally convertible debentures*	390,527,787	469,132,208
- On issue of Zero Coupon optionally convertible Preference shares*	-	150,811
Weighted average number of equity shares for diluted EPS (in No)	819,123,904	754,597,085
Face value of Share ₹	1	1
Earning Per Share (Basic) ₹	(6.78)	0.39
Earning Per Share (Diluted) ₹	(6.78)	0.39

*The above current year potential ordinary shares are anti-dilutive and are therefore exclued from the weighted average number of equity shares for the purpose of diluted earning per share.

37 RELATED PARTY DISCLOSURE

Related party disclosures, as required by Ind AS 24, 'Related Party Disclosures', are given below:

A. Name of Related Parties and nature of relationship :-

Direct Associates:

1	ACP Tollways Pvt. Ltd.	4	Raichur Sholapur Transmission Company Pvt. Ltd.
2	Bellona Estate Developers Ltd. (BEDL)	5	PAN Realtors Pvt.Ltd. (Till Mar 29, 2021)
3	Hitodi Infrastructure Private Ltd (Formally known as Hitodi Infrastructure Ltd)		

Associate of Patel Engineering Infrastructure Ltd.

1 Patel KNR Heavy Infrastructure Ltd.

Associate of Lucina Realtors Private Limited

1 PAN Realtors Pvt. Ltd. (w.e.f Mar 29, 2021)

Joint Ventures: (Refer note 32 (c))

Partnership

1. AHCL PEL (Retired)
2. Patel Advance JV

Others

1. Raahitya Constructions Pvt. Ltd. (erstwhile Patel Corporation LLP)
2. Praham India LLP

B. Key Management Personnel (KMP)

Mr. Rupen Patel	Chairman and Managing Director
Mr. Sunil Sapre	Whole Time Director
Mr. Chittaranjan Kumar Singh	Whole Time Director, Operations (Till June 30, 2020)
Ms. Kavita Shirvaikar	Whole Time Director and Chief Financial Officer
Ms. Shobha Shetty	Company Secretary

C. Transaction with related parties with associate companies, joint operations, partnership and others referred to in item (A) above.

₹ Million

Particular	Associates/joint operations / partnership/others	
	2020-21	**2019-20**
- Misc Receipt	2.81	4.21
- Loans/advances given	60.55	80.34
- Loans / advances recovered	43.75	133.68
- Corporate guarantee outstanding as at the end of the year	5,699.03	5,390.77
- Bank guarantee outstanding as at the end of the year	249.42	549.72
- Outstanding balance included in current/ non current assets	968.10	909.29
- Outstanding balance included in current / non current liabilities	759.48	476.11
- Interest income	5.69	6.36
- Reimbursement of expenses from	11.17	12.97
- Sundry balances written off	3.00	26.63
- Sundry balances written back	0.88	-
- Interest Expenses	65.60	-
- Sale of asset	0.89	-
- Repayment of Loan	-	1,500.00
- Preferential allotment of shares	-	539.97
- Conversion of OCPS into shares	166.69	373.27

Notes to Consolidated Financial Statements for the year ended March 31, 2021

D. Disclosures of material transactions with related parties with associate companies, joint operations, partnership and others referred to in item (A) above.

₹ Million

Particular	Name of the Company	2020-21	2019-20
- Misc. Receipt	Patel Michigan JV	-	4.13
	Patel Sew JV	0.81	-
	NEC PEL JV	2.00	-
- Loans/advances given	Raichur Solapur Transmission Company Pvt. Ltd.	0.00	0.01
	Patel Sew JV	59.64	80.32
- Loan/ advances recovered	PEL-Parbati JV	4.80	-
	Hes-Suthalia JV	5.50	-
	Patel Sew JV	32.94	121.70
- Interest income	NEC PEL JV	0.26	-
	Raichur Solapur Transmission Company Pvt. Ltd.	4.96	4.35
	Patel Michigan JV	-	1.84
	Patel Sew JV	0.47	-
- Reimbursement of Expenses	Hitodi Infrastructure Ltd	9.39	8.86
	Patel Michigan JV	-	3.43
	Patel Sew JV	1.08	-
	Patel KNR JV	0.33	-
	NEC PEL JV	0.36	
- Sundry balances written off	Bellona Estate Developers Ltd.	2.28	26.63
	Patel SA JV	0.20	
	Era Patel Advance Kiran JV	0.52	
- Sundry balances written back	Era Patel Advance Jv	0.88	-
- Interest Expenses	Hitodi Infrastructure Ltd	65.60	-
- Sale of assets	Patel Sew JV	0.89	-
- Repayment of Loan	Raahitya Constructions Pvt. Ltd	-	1,500.00
- Preferential allotment of OCPS	Praham India LLP	-	539.97
- Conversion of OCPS into shares	Praham India LLP	166.69	373.27

E. Details of transactions relating to persons referred in item (B) above.

₹ Million

Particular	2020-21	2019-20
Managerial remuneration	64.48	73.99
Salary and contribution to provident fund	3.54	4.16
Loan repaid	-	300.00
ESOP	1.08	4.09
Outstanding balance payable	35.24	28.06
Outstanding balance receivable	4.05	4.05

Notes to Consolidated Financial Statements for the year ended March 31, 2021

38 SEGMENT REPORTING

Based on the "management approach" as defined in Ind AS 108 – Operating Segments, the Chairman and Managing Director / Chief Financial Officer evaluates the Group's performance and allocate resources based on an analysis of various performance indicators by business segment. Accordingly information has been presented along these segments. The accounting principles used in the preparation of the consolidated financial statement are consistently applied in individual segment to prepare segment reporting.

Primary Segment :

₹ Million

Particulars	As at March 31, 2021			
	Business Segments			
	EPC	Real Estate	Others	Total
Segment revenue	19,576.84	371.08	-	19,947.93
Segment results	(1,413.58)	19.71	(80.80)	(1,474.68)
Segment assets	56,865.55	14,134.69	9,870.79	80,871.02
Segment liabilities	52,349.58	4,619.29	93.59	57,062.46
Addition to fixed assets	1,668.46	1.99	55.55	1,725.99
Segment depreciation	718.98	0.41	0.86	720.25

₹ Million

Particulars	As at March 31, 2020			
	Business Segments			
	EPC	Real Estate	Others	Total
Segment revenue	25,373.22	798.92	-	26,172.14
Segment results	288.02	156.13	(59.80)	384.35
Segment assets	58,210.72	12,426.69	14,566.82	85,204.23
Segment liabilities	51,307.84	4,381.70	3,713.76	59,403.30
Addition to fixed assets	944.76	0.20	840.31	1,785.27
Segment depreciation	659.48	0.99	1.39	661.86

Geographical Segment :

₹ Million

Particulars	As at March 31, 2021		
	Within India	Outside India	Total
Revenue	17,587.49	2,360.44	19,947.93
Non current assets	27,170.31	2,364.60	29,534.91

₹ Million

Particulars	As at March 31, 2020		
	Within India	Outside India	Total
Revenue	23,358.60	2,813.54	26,172.14
Non current assets	33,214.16	1,844.32	35,058.48

Notes to Consolidated Financial Statements for the year ended March 31, 2021

The following table gives details in respect of contract revenues generated from the top customer and top 5 customers for the year ended:

₹ Million

Particulars	As at March 31, 2021	As at March 31, 2020
Revenue from top customer	3,716.25	4,356.42
Revenue from top five customers	9,151.47	12,369.02

39 Consequent to nationwide lockdown declared by the Government to contain spread of COVID - 19, normal business operations of the Group was affected by way of interruption in project execution, supply chain disruption etc and has been adversely impacted the financial results of the Group. The Group gradually resumed operation with limited availability of workforce and other resources. The progress of the Group and availability of resources further recovered in the last quarter of the Financial year. The results for the financial year are therefore not comparable with those for the corresponding periods of the previous year. The Group has assessed the impact of pandemic on its financials based on the external and internal informations available upto the date of approval of the financial result and expects to recover the carrying value of its assets. The Group has taken necessary measures to control the costs and also to maintain the liquidity to ensure progress in the projects. The Group is continuously monitoring the situation and taking necessary steps to improve its efficiencies in execution and the financial outcome.

40 Confirmation letters have been sent in respect of sundry debtors / loans and advances / sundry creditors of which certain confirmations have been received which are accordingly accounted and reconciled. The remaining balances have been shown as per books of accounts and are subject to reconciliation adjustments, if any. In the opinion of the Management, the realizable value of the current assets, loans and advances in the ordinary course of business will not be less than the value at which they are stated in the balance sheet. In respect of subsidiaries, debit and credit balances are subject to confirmation from creditors, debtors, sub contractors and loans/advances/deposits. The management does not expect any material difference affecting the consolidated financial statements for the year.

41 a) Unbilled work in progress includes stock of land under development (including held in the name of directors/relatives of directors/employees, as nominees of the company).

b) Arbitration awards received in favour of the Group amounting to ₹ Nil (PY ₹ 359.86 million) is accounted for as construction Receipts.

42 Arising out of proceedings initiated under section 132 read with Section 153C/143 (2) of Income Tax Act, 1961 by Income Tax Authorities, the Patel Energy Resources Limited (PERL) had offered to reduce by way of disallowances, an aggregate sum of ₹ 795.77 million (As on 31.03.2015 - ₹ 795.77 million) from pre-operative expenses / Land Development expenses incurred by PERL in the past in setting up the Power Plant at Nagapattinam, Tamil Nadu. Deputy Commissioner of Income-Tax (DCIT) vide his order dated 25.03.2013 has also held that the above pre-operative expenses, amounting to ₹ 795.77 million (As on 31.03.2015 - ₹ 795.77 million) has to be reduced from the Capital Work in Progress (CWIP) based on the above submissions and as well as other grounds. However, in the opinion of management, considering the realizable value of land, no adjustment is required to be carried out. Due to the above mentioned reduction of Land Development Expenses, for tax purposes, the value of fixed assets reckoned subsequent to allocation of Land Development / Pre-operative expenses to core assets, for computation of depreciation wherever applicable, will be lower to the extent of ₹ 795.77 million (As on 31.03.2015 - ₹ 795.77 million)

43 Ministry Of Coal (MOC) after keeping the request for change in location of the proposed power plant from Bhavnagar area to Pipavav area with in Gujarat State pending for 16 months declined it after the LOA expired. Consequent upon the expiry of Letter Of Assurance (LoA), South Eastern Coal Limited (SEC) invoked and encashed three Bank Guarantees aggregating to ₹ 196.64 million issued as Commitment Guarantees against LOA. Patel Energy Limited has filed a writ petition at Delhi High Court challenging the decision of MOC refusing to approve the change of location of the said power plant, and also for quashing the unlawful invocation of bank guarantee by SEC and has sought a further direction that the change of location be approved and the

LOA be extended in view of the delay by MOC. In the mean time Patel Energy Limited has represented the matter to the Honourable Minister for Power & Coal and CEA recommended the case to be reviewed and the SLC directed that the case be put up on file for review in Ministry of Coal. The matter is under process in Ministry of Coal. The petition in Delhi High Court was last heard on 22.02.2016 and the same is posted for final hearing on 11.08.2016. Patel Energy Limited is confident that requisite clearance shall be obtained and hence the accounts of the Patel Energy Limited is continued to be complied on "Going Concern" basis.

44 In respect of 54.12 acres of land acquired by the PEL Power Limited in earlier years, the original owner of the land had filed a case against the vendor from whom PEL Power Limited had purchased these lands questioning his authority to transfer the property to the PEL Power Limited. PEL Power Limited is legally advised that the title to the PEL Power Limited valid and good and there can be no claim against the PEL Power Limited. Notwithstanding the above PEL Power Limited has impleaded itself in the case in order to effectively defend its ownership in the said land.

45 Derivative transactions :

Foreign currency exposure that are not hedged by derivative instruments as on March 31, 2021 amounting to ₹ 11.18 million (P.Y ₹ 988.99 million).

	Foreign currency exposure outstanding at ₹ Million			
Particulars	**March 31, 2021**		**March 31, 2020**	
	Amount in Foreign Currency	**Amount in Functional Currency**	**Amount in Foreign Currency**	**Amount in Functional Currency**
Assets				
Trade Receivable				
EURO	29.09	0.34	33.41	0.41
NPR	113.29	181.27	112.06	179.29
USD	41.88	0.57	42.32	0.57
Security Deposit				
EURO	2.94	0.03	2.82	0.03
JPY	23.98	36.22	25.06	36.22
NPR	73.87	118.19	27.56	44.10
USD	0.11	0.00	-	-
Inventories				
NPR	948.21	1,517.13	609.12	974.59
Interest Accrued				
EURO	0.56	0.01	0.56	0.01
NPR	0.97	1.55	0.32	0.52
Cash and Bank Balance				
LKR	0.02	0.04	0.01	0.04
MUR	0.01	0.00	0.01	0.00
NPR	23.23	37.16	100.41	160.66
USD	-	-	0.31	0.00
Advance to Contrator / Suppliers				
NPR	301.33	482.12	1,578.65	2,525.84
Loan and interest thereon to group companies				
LKR	-	-	16.38	41.39
MUR	71.50	39.57	70.95	37.21
NPR	3.51	5.61	3.51	5.61
USD	1,457.68	19.89	1,402.64	30.56

Notes to Consolidated Financial Statements for the year ended March 31, 2021

Foreign currency exposure outstanding at ₹ Million

Particulars	March 31, 2021 Amount in Foreign Currency	March 31, 2021 Amount in Functional Currency	March 31, 2020 Amount in Foreign Currency	March 31, 2020 Amount in Functional Currency
Fixed Assets				
NPR	679.22	1,086.75	433.41	693.45
Other Advance				
MUR	5.15	2.85	5.44	2.85
NPR	122.52	196.03	127.55	204.08
Liability				
Security Deposit				
NPR	(20.08)	(32.13)	(20.08)	(32.13)
Advance from Contrator				
EURO	(426.83)	(5.33)	(426.83)	(5.33)
NPR	(1,862.02)	(2,979.24)	(2,250.88)	(3,601.41)
USD	(4.55)	(0.07)	(4.55)	(0.07)
Trade Payable				
EURO	(120.81)	(1.44)	(136.77)	(1.68)
NPR	(1,015.66)	(1,625.05)	(667.28)	(1,067.65)
SGD	-	-	(8.20)	(0.16)
USD	(293.34)	(4.00)	(9.69)	(0.13)
Other liability				
NPR	(142.22)	(227.55)	(76.75)	(122.79)
USD	(2.35)	(0.03)	(2.47)	(0.03)

46 The Group's pending litigations comprise of claims by or against the Group primarily by the customers / contractors/suppliers, etc. and proceedings pending with tax and other government authorities. The Group has reviewed its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its consolidated financial results. In respect of litigations, where the management assessment of a financial outflow is probable, the Group has made adequate provision of ₹ 29.38 million (PY ₹ 29.99 million) and appropriate disclosure for contingent liabilities is given.

47 The Group has invested in step down subsidiary, Le Salines Development Ltd ("LSDL") undertaken a construction project in Mauritius in the year 2009-10 . LSDL had signed an lease agreement with Ministry of Housing and Land Develoment (MOHL) Government of Mauritius (GOM) on 11th Dec 2009 for development of a Real Estate Development Project called NEOTOWN in Mauritius in the year 2009-10 and incurred cost of ₹ 890.17 million (PY 939.50 million). Subsequently all of a sudden on February 11, 2015 GOM had verbally informed about the termination of lease agreement between LSDL and MOHL without assigning any reason. Formal communication was received by LSDL on June 4, 2015 about the termination of lease from the GOM. Management was of the view that as per the agreement lease cannot be terminated on the grounds of clause mentioned in the termination letter. In this regard a notice had been sent to MOHL Government of mauritius on July 1, 2016 by LSDL contesting wrongful termination.. The Group did not receive any reply to this letter. The Group has invoked an arbitration under Promotion and Protection of Investment Treaty signed between India and Mauritius against GOM and the group is confident of getting compensation from GOM.

48 PEL Port Private Ltd was primarily incorporated to build a captive Port to cater to the needs of PEL Power Ltd. which is engaged in setting up a Merchant Power Plant with capacity of 1045MW at Maruthampallam Village, Nagapattinam District in Tamil Nadu. There is a delay in commencement of construction of Power Plant due to delay in getting Consent for Establishment from Government of Tamilnadu. PEL Power Ltd. is confident in getting the clearance in the near future. Since the Captive Port project is closely interlinked with the above Power Project and in view of the long term potential of that project, the accounts of PEL Port Private Ltd. are compiled on "Going Concern" basis.

49 Contingent Liabilities

(a) Commitment for capital expenditure is ₹ 725.97 million (PY ₹ 149.62 million), advance paid ₹ 115.43 million (PY ₹ 39.40 million). The Group is under commitment to construct specific area for land owner.

(b) Counter indemnities given to Banks and others in respect of secured guarantees, etc. on behalf of subsidiaries and others given by them in respect of contractual commitments in the ordinary course of business is ₹ 19,155.26 million (PY ₹ 14,173.91 million) (including Customs ₹ 42.88 million (PY ₹ 42.88 million). Corporate guarantees / Letter of Credit on behalf of subsidiaries and others is ₹ 6521.45 million (PY ₹ 5390.77 million). Net off Share of JV Partner & Provisions already considered in books .

(c) Client has claimed an amount of ₹ 210.8 million (PY ₹ 210.8 million) from Group which is pending at the Hon'ble appeal court. However the management feels that the likelihood of outflow of resources is remote.

(d) Service tax liability that may arise on matters in appeal ₹ 1462.73 million (PY ₹ 1471.02 million) and advance paid ₹ 9.55 million (PY ₹ 9.45 million). Out of the above, ₹ 760.19 million (PY ₹ 760.19 million) is contractually recoverable from the Clients.

(e) Sales tax ₹ 76.52 million (PY ₹ 65.49 million) (Advance paid ₹ 1.74 million (PY ₹ 3.58 million)), Cess ₹ 122.64 million (PY ₹ 121.69 million), Custom Duty ₹ 17.62 million (PY ₹ 17.62 million) (Advance paid ₹ 8.46 million (PY ₹ 8.46 million)).

(f) Income tax liability that may arise on matters in appeal ₹ 2,399.38 million (PY ₹ 2,157.49 million).

(g) Provident fund liability that may arise on matter in appeal ₹ 14.35 million (PY ₹ 14.35 million) and advance Paid ₹ 14.35 million (PY ₹ 14.35 million)

(h) The Group is subject to legal proceeding and claims, which have arisen in the ordinary course of business, including certain litigation for land acquired by it for construction purpose, the impact of which is not quantifiable. These case are pending with various courts and are scheduled for hearings. After considering the circumstances, management believes that these case will not adversely effect its consolidated financial statement.

(i) A part of the immovable property belonging to the Group shown under inventories has been offered as security in favour of a bank against credit facilities availed by a strategic partner.

(j) The Group has provided a "cost overrun undertaking" for its associates Bellona Estate Developers Limited and its step-down subsidiay Dirang Energy Private Limited to its lenders.

(k) Entry Tax liabilities on purchase of goods of ₹ Nil (PY ₹ 7.45 million), against which amount of ₹ Nil (PY 0.50 million and bank guarantee for balance amount) have been paid.

(l) On Settlement with a vendor, Group has given flats of ₹ 50.00 million (PY ₹ 50.00 million) against his outstanding due & also given assurance that if re-sell price of that flat is lower than settlement price then company will compensate that differences.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

(m) In respect of Shreeanant Construction Private Limited, a SLP was filed in the Supreme Court by the State Govt. of Arunachal Pradesh against the judgment of the Hon'ble Guwahati High Court in favour of the M/s Patel Engineering Ltd. abolishing the Arunachal Pradesh Goods Taxation Act, 2005 as it was unconstitutional in nature. Still the matter is pending before the Supreme Court and hearings are going on. But in case of adverse judgment M/s Patel Engineering Ltd. will transfer Entry Tax liability of Ka HEP, Package-1 and there will be outflow of resources to that extent. However the management feels that likelihood of outflow of resources is remote.

A Writ petition was filed by M/s Patel Engineering Ltd. in the Guwahati High Court challenging the validity of newly enacted Arunachal Pradesh Entry Tax Act,2010. The Hon'ble Court has granted interim stay on the payment of Entry Tax subject to the furnishing of Bank Guarantee of the equivalent amount. Hence the management is presently not paying entry tax on import of goods from outside of Arunachal Pradesh rather M/s Patel Engineering Ltd. has offered Bank Guarantee of the same value. The matter is still pending and final judgment is yet to be delivered. But in case of adverse judgment the contractee M/s Patel Engineering Ltd. will transfer Entry Tax liability of KaHEP, Package-1 and there will be outflow of resources to that extent. However the management feels that likelihood of outflow of resources is remote.

(n) Trade receivables to the extent of ₹ 29.99 million (PY. ₹ 181.10 million) have been discounted with bank on recourse basis.

50 Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiaries / associates / joint ventures:

Name of the entity		Net Assets i.e. total assets minus total liabilities		Share in profit and loss	
		As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount
Parent					
Patel Engineering Limited		107.45%	24,923.51	47.67%	(1,421.50)
Subsidiaries					
Indian					
1	Apollo Buildwell Private Limited	-0.16%	(37.05)	0.00%	(0.04)
2	Arsen Infra Private Limited	0.01%	1.90	-0.06%	1.69
3	Lucina Realtors Private Limited	-0.02%	(3.90)	0.15%	(4.40)
4	Hera Realcon Private Limited - (97.13%)	0.00%	(1.09)	0.00%	(0.08)
5	PBSR Developers Private Limited	-0.21%	(48.35)	-0.37%	11.17
6	Patel Energy Resources Limited	15.87%	3,680.49	72.34%	(2,157.31)
7	Patel Engineering Infrastructure Limited	0.77%	177.99	-1.68%	50.01
8	Patel Concrete and Quarries Private Limited	0.00%	0.55	0.00%	(0.03)
9	Friends Nirman Private Limited	0.09%	21.89	0.02%	(0.52)
10	Zeus Minerals Trading Private Limited	0.00%	0.14	0.00%	(0.03)
11	Patel Patron Private Limited	0.60%	138.65	0.00%	(0.10)
12	Patel Engineers Private Limited	0.32%	74.06	0.62%	(18.43)
13	Pandora Infra Private Limited	0.29%	67.22	0.02%	(0.62)
14	Shashvat Land Projects Private Limited	0.33%	77.28	0.00%	(0.13)
15	Vismaya Constructions Private Limited	0.23%	53.89	0.00%	0.02
16	Bhooma Realties Private Limited	-0.02%	(4.67)	4.31%	(128.67)
17	Patel Lands Limited	0.00%	0.27	0.00%	(0.02)
18	Energy Design Private Limited	-0.30%	(69.48)	0.00%	(0.14)
19	Shreeanant Construction Private Limited	-0.20%	(46.73)	0.00%	(0.10)
20	Michigan Engineers Private Limited	6.15%	1,426.19	-5.26%	156.91
21	Hampus Infrastructure Pvt. Ltd.	0.00%	(0.18)	0.00%	(0.10)
22	Patel KNR Infrastructure Ltd	2.26%	523.92	-1.61%	47.99

Name of the entity		Net Assets i.e. total assets minus total liabilities		Share in profit and loss	
		As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount
Foreign					
1	Patel Engineering Inc.	0.35%	80.84	4.01%	(119.61)
2	Patel Engineering (Mauritius) Limited	-1.27%	(294.12)	0.69%	(20.43)
3	Patel Engineering (Singapore) Pte. Limited	-3.22%	(746.03)	-0.89%	26.48
4	Waterfront Developers Limited	-2.05%	(476.66)	2.56%	(76.48)
5	Patel Engineering Lanka Limited	-0.02%	(4.20)	0.06%	(1.77)
Non-controlling interest		2.64%	612.90	-4.02%	119.85
Associate (as per proportionate consolidation/Investment as per the equity method)					
1	ACP Tollways Private Limited	1.06%	246.99	5.39%	(160.74)
2	Raichur Sholapur Transmission Company Limited	0.75%	173.53	2.26%	(67.48)
3	Hitodi Infrastructure Limited	0.00%	-	0.00%	-
4	Pan Realtors Private Limited	0.00%	-	0.00%	-

51 Category-wise classification of financials instruments

₹ Million

	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Financial assets measured at FVTPL				
Investment	5.50	0.52		
Financial assets measured at amortized cost				
Investments	673.40	789.23	116.00	266.00
Trade receivables	4,420.83	4,733.64	4,336.35	3,275.06
Loans	704.41	853.34	297.37	845.02
Deferred finance cost	60.85	75.82	-	-
Secured deposit	1,306.49	538.28	775.01	913.49
Cash and cash equivalents	-	-	1,949.22	1,132.49
Other bank balances	-	-	10.88	4.76

₹ Million

	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Financial liabilities measured at amortized cost				
Borrowings	7,794.11	9,193.78	14,565.53	13,250.89
Trade payables	4,779.22	3,302.45	12,096.59	13,698.72
Other financial liabilities	1,478.16	1,000.00	853.20	932.07

Notes to Consolidated Financial Statements for the year ended March 31, 2021

52 Fair value measurements

i) The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities :

As at March 31, 2021

₹ Million

Financial asset measured at FVTPL	Fair value as at March 31, 2021	Fair Value hierarchy		
		Quoted prices in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
Investments	5.50	5.50	-	-

As at March 31, 2020

₹ Million

Financial asset measured at FVTPL	Fair value as at March 31, 2020	Fair Value hierarchy		
		Quoted prices in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
Investments	0.52	0.52	-	-

ii) Financial instrument measured at amortized cost

The carrying amount of financial assets and liabilities measured at amortized cost in the consolidated financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

53 Financial risk management

The Group's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Group's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Group is exposed to market risk, credit risk and liquidity risk. The board of directors ('Board') oversee the management of these financial risks through its risk management committee. The risk management policy of the Company formulated by the risk management committee, states the Company's approach to address uncertainties in its endeavor to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of the Company's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate financial risks in order to minimize potential adverse effects on the Group's financial performance.

The following disclosures summarize the Group's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks. Quantitative sensitivity analysis have been provided to reflect the impact of reasonably possible changes in market rates on the consolidated financial results, cash flows and financial position of the Group.

1) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

a) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's total debt obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With other variables held constant, the Group's profit before tax is affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows :

₹ Million

Change in interest rate	Effect on profit before tax		Effect on total equity	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
+50 basis point	(131.95)	(84.68)	(131.95)	(84.68)
-50 basis point	131.95	84.68	131.95	84.68

b) **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Group does not enter into any derivative instruments for trading or speculative purposes.

The carrying amounts of the Group's foreign currency denominated monetary items are as follows:

₹ Million

Currency	Liabilities		Assets	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
EURO	576.01	563.60	60.97	36.78
JPY	-	-	23.98	25.06
LKR	-	-	0.02	16.40
MUR	-	-	76.65	76.39
NPR	3,155.20	3,081.12	2,381.35	3,058.71
USD	300.24	16.71	1,499.67	2,328.55
SGD	-	8.20	-	-

The above table represents total exposure of the Group towards foreign exchange denominated liabilities (net). The details of unhedged exposures are given as part of Note no. 45.

Sensitivity analysis

The Group is mainly exposed to changes in USD & EURO, as NPR is to be repaid at fixed rate; hence the Group is not exposed to any exchange rate fluctuation. The below table demonstrates the sensitivity to a 5% increase or decrease in the USD & EURO against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Group as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

₹ Million

Change in EURO rate	Effect on profit before tax		Effect on total equity	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
+5%	(25.74)	(26.18)	(25.74)	(26.18)
-5%	25.74	26.18	25.74	26.18

₹ Million

Change in USD rate	Effect on profit before tax		Effect on total equity	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
+5%	108.09	115.59	108.09	115.59
-5%	(108.09)	(115.59)	(108.09)	(115.59)

c) **Equity price risk**

The Group's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

Price sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in price of investment measured at FVTPL with other variables held constant. The Company's profit before tax is affected through the impact on change in price of investment as follows:

₹ Million

Change in Price of investment measured at FVTPL	Effect on profit before tax		Effect on total equity	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
+5%	0.28	0.03	0.28	0.03
-5%	(0.28)	(0.03)	(0.28)	(0.03)

2) **Credit risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure of the financial assets are contributed by trade receivables, unbilled work-in-progress, cash and cash equivalents and receivable from joint ventures.

Credit risk on trade receivables and unbilled work-in-progress is limited as the customers of the Group mainly consists of the government promoted entities having a strong credit worthiness. Whenever required, the Group uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled work-in-progress. The provision matrix takes into account available external and internal credit risk factors such as credit ratings from credit rating agencies, third party report, financial condition, ageing of accounts receivable and the Group's historical experience for customers.

3) **Liquidity risk**

Liquidity is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. The Group's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides details regarding the contractual maturities of significant financial liabilities:

₹ Million

Particulars	Less than 1 year	1 - 5 years	More than 5 years	Total
At March 31, 2021				
Borrowings	15,130.52	3,809.31	3,984.80	22,924.63
Lease Liability	37.35			37.35
Trade payables	12,096.59	4,779.22	-	16,875.81
Other financial liability	288.21	1,478.16	-	1,766.38
At March 31, 2020				
Borrowings	13,764.45	4,781.41	4,412.37	22,958.23
Lease Liability	183.23			183.23
Trade payables	13,698.72	3,302.45	-	17,001.17
Other financial liability	418.51	1,000.00	-	1,418.50

54 Capital Management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Group. The primary objective of the Group when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

As at 31st March, 2021, the Group has only one class of equity shares and has moderate debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Group allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans. Consistent with others in the industry, the Group monitors its capital using the gearing ratio which is total debt divided by total capital.

₹ Million

Particulars	As at March 31, 2021	As at March 31, 2020
Total debt	22,924.63	22,958.23
Total equity	23,195.66	25,469.95
Total debt to total equity ratio (gearing ratio)	0.99	0.90

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements.

55 Due to lack of active programme for sale of assets which was earlier classified as held for sale, group have cease the classification of assets held for sale and restore the assets as continuing operation.

56 During the year company has made a political contribution of ₹ 30 million to political parties.

57 The Code on Social Security, 2020 ("the Code") has been approved by the Indian Parliament. The effective date of the Code and related rules are yet to be notified. The impact of the changes, if any, will be assessed and recognised post notification of the relevant provisions.

Notes to Consolidated Financial Statements for the year ended March 31, 2021

58 During the year, the board of the company approved the scheme of merger of the below 14 subsidiaries with the company i.e. Patel Engineering Limited with an appointment date on April 1, 2021 and application for the same has been filed to National Company Law Tribunal before the approval of the financial statement.

a) Patel Energy Resources Limited
b) PEL Power Limited
c) PEL Port Private Limited
d) Patel Energy Projects Private Limited
e) Patel Energy Assignment Private Limited
f) Patel Energy Operation Private Limited
g) Jayshe Gas Power Private Limited
h) Patel Thermal Energy Private Limited
i) Patel Hydro Power Private Limited
j) Zeus Minerals Trading Private Limited
k) Patel Concrete and Quarries Private Limited
l) Patel Land Limited
m) Patel Engineers Private Limited
n) Phedra Projects Private Limited

59 a) Previous year's figures have been regrouped, rearranged and reclassified wherever necessary.

b) Figure in brackets indicates amounts pertaining to previous year.

As per our report of even date

For **T.P. Ostwal & Associates LLP**
Firm Regn No:124444W/W100150
Chartered Accountants

Anil A. Mehta
Partner
Membership No. 030529

Place : Mumbai
Date : June 11, 2021

For and on behalf of Board

Rupen Patel
Chairman &
Managing Director
DIN : 00029583

Kavita Shirvaikar
Chief Financial Officer &
Director
DIN : 07737376

Sunil Sapre
Director
DIN : 05356483

Shobha Shetty
Company Secretary
Mem. No.: F10047

Independent Auditors' Report

To the Members of Patel Engineering Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Patel Engineering Limited which includes joint operations ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information. These also include financials of the Real Estate Division Branch of the Company for the year ended on that date audited by the branch auditor of the Company's branch located at Mumbai.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

Emphasis of Matter

The independent Branch Auditors of Patel Engineering Ltd (Real Estate Division), have without qualifying their audit report on the Standalone Ind AS financial statements for the year ended March 31, 2021 have drawn attention with respect to Note No. 46 regarding Company's investment and loans and advances in Waterfront Developers Limited, where notice dated June 04, 2015 was received from Government of Mauritius for the termination of Lease Agreement entered on December 11, 2009 with Les Salines Development Limited (a step down subsidiary of Waterfront). In this case the process of Arbitration has been initiated with the Government of Mauritius.

Our opinion is not modified in respect to this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial Statements.

Sr. No.	Key Audit Matter	Auditor's Response

1	**Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers"**
	The application of the revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, the revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.
	Refer Notes 1.j and 25 to the Standalone Financial Statements.
		Principal Audit Procedures
		Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:
		• Evaluated the design of internal controls relating to implementation of the revenue accounting standard.
		• Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, performance and inspection of evidence in respect of operation of these controls.
		• Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the revenue accounting standard.
		• Selected a sample of continuing and new contracts and performed the following procedures:
		  ◦ Read, analyzed and identified the distinct performance obligations in these contracts.
		  ◦ Compared these performance obligations with that identified and recorded by the Company.
		  ◦ Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation.
		  ◦ Samples in respect of revenue recorded for time and material contracts were tested using a combination of customer acceptances, subsequent invoicing and historical trend of collections and disputes.
		  ◦ Performed analytical procedures for reasonableness of revenues disclosed.

2	**Accounting of contract work-in-progress for engineering construction projects** The company recognized contract revenue and contract costs from contract work-in-progress for engineering construction projects by reference to the stage of completion of the contract activity at the end of each reporting period. The stage of completion is measured by reference to work performed. The accounting for such engineering construction projects is complex due to high level of estimation in determining the costs to complete. This is due to the nature of the operations, which may be impacted by the technological complexity of projects, the precision of cost estimation during the budgeting process and the actual progress of each project during the financial year. Accordingly, the accounting of contract work-in progress for engineering construction projects is identified as a key audit matter. Refer Notes 1.i and 10 to the Standalone Financial Statements.	**Principal Audit Procedures** Our audit procedures included the following: • Review of contract terms and conditions and the contractual sums and substantiated project revenues and costs incurred against underlying supporting documents. • Perused customers and subcontractor correspondences and discussed the progress of the projects with project managers for any potential disputes, variation order claims, known technical issues or significant events that could impact the estimated contractual costs. • Analyzed changes in estimates of costs from prior periods and assessed the consistency of these changes with progress of the projects during the year.

Sr. No.	Key Audit Matter	Auditor's Response
3	**Valuation of claims under settlement** The Company has certain significant open legal proceedings under arbitration for various complex matters with the Clients and other parties, continuing from earlier years, which are as under: • Non acceptance of certain work by the client. • Cost overrun in certain contracts. • Reimbursement of the cost incurred by the company for the client. Due to complexity involved in these litigation matters, the recognition of claims / variations are included in revenues when it is highly probable of recovery based on estimate and assessment of each item by the management based on their experience of recovery Refer Notes 1.r, 45 and 47 to the Standalone Financial Statements	**Principal Audit Procedures** Our audit procedures included the following: • Assessing the procedures implemented by the Company to identify and gather the risks it is exposed to. • Obtaining an understanding of the risk analyses performed by the Company, with the relating supporting documentation, and studying written statements from internal and external legal experts, where applicable. • Discussion with the management on the development in these litigations during the year ended March 31, 2021. Obtaining representation letter from the management on the assessment of these matters as per SA 580 (revised) – Written representations.
4	**Investments and loans/advances given to subsidiaries, and associates** Investments in subsidiaries, joint venture and associates and loans given to such entities account for a significant percentage of the Company's net assets. Each year management reviews such investments and loans to assess presence of any indications of impairment and determines the recoverable amounts of the investments / loans. Determining the recoverable value of these long-term investments / loans is mainly based on the evaluation of Networth of such entities, quality of assets held by such entities and the judgement by Management for realisation of investments and recovery of loans alongwith interest. Refer Notes 1.h and 3 to the Standalone Financial Statements	**Principal Audit Procedures** We gained an understanding of the process used by the Company to assess the valuation of investments and loans & advances, analyze their recoverability and impairment tests performed by the management, and verified that the criteria used to perform these tests are consistent with those established in applicable reporting standards. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • Consideration and evaluation of company's analyses on its overall exposure to each of these subsidiaries; • Analysis and assessment of the appropriateness of the key judgements and assumptions, used by company's management. As a result of our analysis and test performed, we consider that Management's conclusion regarding providing impairment on investments, wherever required, the estimates made and the information disclosed in the accompanying annual accounts are adequately supported and are consistent with the information currently available
5	**IT systems and control over financial reporting** We identified IT systems and controls over financial reporting as a key audit matter for the Company because its financial accounting and reporting systems are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations and IT application controls are required to be designed and to operate effectively to ensure accurate financial reporting.	**Principal Audit Procedures** Our procedures included to the following: • Assessment of the complexity of the environment through discussion with the head of IT. • Assessment of the design and evaluation of the operating effectiveness of general IT controls over program development and changes, access to programs and data and IT operations. • Assessment of the design and evaluation of the operating effectiveness of IT application controls in the key processes impacting financial reporting of the Company.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Standalone Financial Statements and our auditors' report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in

our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. We did not audit the financial statements and other financial information in respect of:

   i. the real estate division whose financial statements reflect total assets of ₹ 4,745.44 million as at March 31, 2021 and the total revenue of the ₹ 245.19 million, total profit (net) after tax of ₹ 49.08 million and total comprehensive income (net) of ₹ 49.25 million for the year ended March 31, 2021,

   ii. 18 joint operations, whose financial results reflect total assets of ₹ 1,907.75 million as at March 31, 2021, Group's share in total revenue after elimination of ₹ 1,880.57 million, total profit (net) after tax of ₹ 62.18 million and total comprehensive income (net) of ₹ 62.18 million for the year ended March 31, 2021

   These Ind AS financial statement of the entities mentioned in (i) and (ii) and other financial information have been audited by other auditors, which financial statements, other financial information and auditors' reports have been furnished to us by the management. Our opinion on the Standalone Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these joint operations and branch, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid branch and joint operations, is based solely on the report(s) of such other auditors.

2. The accompanying Standalone Financial Statements include unaudited financial statements and other unaudited financial information in respect of:

   i. 9 unincorporated joint operations whose financial results reflect total assets of ₹ 209.15 million as at March 31, 2021, Group's share in total revenue after elimination of inter-company revenue, is ₹ 32.53 million, total profit (net) after tax of ₹ 0.01 million and total comprehensive income (net) of ₹ 0.01 million for the year ended March 31, 2021.

   These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of this joint operation, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid joint operation, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Company.

   Our opinion above on the Standalone Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **"Annexure A"** of this report a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

    (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

    (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

    (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure B"**;

    (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

    (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 47 to the Standalone Financial Statements;

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

        iii. There was no amount which was required to be transferred to the Investor Education and Protection Fund during the year.

For T. P. Ostwal & Associates LLP
Chartered Accountants
(Registration No. 124444W/W100150)

Anil A. Mehta
Partner
Membership Number: 030529

Place: Mumbai
Date: June 11, 2021

UDIN: 21030529AAAAEN1639

Annexure - A to the Independent Auditors' Report on the Standalone Financial Statements of Patel Engineering Limited

(Referred to in paragraph 1, under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

i (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The Company has a regular programme for physical verification in a phased periodic manner, which, in our opinion, is reasonable having regards to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us by the management, the title deeds of immovable properties included in property, plant and equipment's / investment properties are held in the name of the Company, except for Freehold lands with gross block and net block of ₹ 5.66 million.

ii As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

iii According to information and explanation given to us, the Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnership firm or other parties, covered in the register maintained under section 189 of the Companies Act 2013. Accordingly Paragraph 3 (iii) (a), 3 (iii)(b) and 3(iii)(c) of the Order are not applicable to the Company.

iv In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013, to the extent applicable, in respect of the loans, investments, guarantees and security.

v The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly Paragraph 3(v) of the Order is not applicable to the Company.

vi The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, Cess, Entry Tax and Municipality Tax and other material statutory dues applicable to it to the appropriate authorities except for such dues aggregating to ₹ 18.52 million which are outstanding as at March 31, 2021 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, the disputed statutory dues that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

Particulars	Financial year to which amount relates	Amounts in Million (₹)	Forum where dispute is pending
The Sales Tax Act	2003-2004	2.85	Appellate Tribunal
	2005-2006, 2006-2007 and 2012-2013	19.16	Appellate Tribunal, Kolkata
	2007-2008 to 2011-12	39.41	W.B.C.T. Appellate and Revisional Board, Kolkata
Finance Act, 1994	April 2003 to July 2006	2.54	Custom, Excise and Service Tax Appellate Tribunal (CESTAT)
	October 2009 to September 2010	108.31	
	June 2007 to September 2009	651.88	
	September 2015	71.52	
CGST & SGST Act, 2017	September 2018 to March 2019	46.77	The Additional / Joint Commissioner (Appeals)
The Income Tax Act,1961	2003-04 to 2007-08	767.47	Hon'ble High Court
	2010-11 & 2014-15 to 2016-17	1075.94	Commissioner of Income Tax (Appeals)
	2016-17 to 2017–18	27.99	Commissioner of Income Tax (Appeals) TDS

Particulars	Financial year to which amount relates	Amounts in Million (₹)	Forum where dispute is pending
Provident fund	2008-09, 2009-10 & 2010-11	14.35	Hon'ble High Court, Shimla Himachal Pradesh
Custom Duty	2011-2012	17.62	CESTAT, Chennai
With respect to Independent Branch Patel Engineering Ltd (Real Estate Division)			
The Finance Act, 1994	November 2009 to June 2012	404.69	Custom, Excise and Service Tax Appellate Tribunal
	April 2015 to June 2017	54.14	Commissioner of Service Tax
Income Tax Act, 1961	2013-14 to 2016-17	202.55	Commissioner of Income Tax (Appeals)
	2015-2016 to 2016-17	35.25	The Director, Objections Appeals and Dispute Resolutions Dept. Mauritius
Maharashtra Value Added Taxes Act, 2005	2015-16	13.50	Branch is in process of filling an appeal against the same

viii There are no loans or borrowings payable to government. The Company has not defaulted in repayment of loans or borrowings to any financial institution or banks during the year with due consideration of the moratorium for repayment granted by the banks and availed by the Company.

ix In our opinion and according to the information and explanations provided by the management, the Company has utilised the monies raised by way of rights issue and term loans for the purposes for which they were raised.

x To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi According to the information and explanations given to us, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii In our opinion and according the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable to the Company.

xiii According to the information and explanation given to us and based on our verification of the records of the Company and on the basis of review and approval by the Board and Audit Committee, the transactions with related parties are in compliance with Section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.

xiv During the year, the Company has made preferential allotment of Optionally Convertible Preference Shares to a promoter entity in lieu of liability for compensation payable to such entity. In our opinion and based on the information and explanations given to us, the Company has complied with the requirements of section 42 of the Act and Rules framed there under in respect of issue of such Optionally Convertible Preference Shares.

xv According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year. Accordingly, paragraph 3(xv) of the order is not applicable to the Company.

xvi The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the order is not applicable to the Company.

For T. P. Ostwal & Associates LLP
Chartered Accountants
(Registration No. 124444W/W100150)

Anil A. Mehta
Partner
Membership Number: 030529

Place: Mumbai
Date: June 11, 2021

UDIN: 21030529AAAAEN1639

ANNEXURE B to Independent Auditors' Report on the Standalone Financial Statements of Patel Engineering Limited, Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act, referred to in paragraph 2(f) under "Report on Other Legal and Regulatory requirement" section of our report of even date.

We have audited the internal financial controls over financial reporting of Patel Engineering Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting with reference to these Standalone Financial Statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting with reference to these Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Standalone Financial Statements includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these Standalone Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Standalone Financial Statements and such internal financial controls over financial reporting with reference to these Standalone Financial Statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For T. P. Ostwal & Associates LLP
Chartered Accountants
(Registration No. 124444W/W100150)

Anil A. Mehta
Partner
Membership Number: 030529

Place: Mumbai
Date: June 11, 2021

UDIN: 21030529AAAAEN1639

Balance Sheet as at March 31, 2021

		Notes	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
I.	**ASSETS**			
1	**Non-current assets**			
	(a) Property, plant and equipment	2	3,598.01	3,010.17
	(b) Capital work-in-progress		54.57	105.99
	(c) Intangible assets		3.04	2.50
	(d) Financial assets			
	(i) Investments	3	6,539.91	6,692.17
	(ii) Trade receivables	4	3,060.04	4,733.63
	(iii) Loans	5	10,733.06	10,161.40
	(iv) Other financial assets	6	1,290.13	551.68
	(e) Deferred tax assets (net)	7	1,923.41	1,099.92
	(f) Current tax assets (net)	8	23.16	-
	(g) Other non current assets	9	5,715.75	6,781.45
	Total non current assets		**32,941.08**	**33,138.91**
2	**Current assets**			
	(a) Inventories	10	28,523.19	28,241.74
	(b) Financial assets			
	(i) Trade receivables	4	3,358.89	3,110.62
	(ii) Cash and cash equivalents	11	1,139.26	1,066.34
	(iii) Other bank balances	12	-	-
	(iv) Loans	5	1,926.68	1,700.82
	(v) Other financial assets	6	116.67	116.67
	(c) Other current assets	9	6,708.35	7,304.62
	(d) Assets classified as held for sale	13	-	150.00
	Total current assets		**41,773.04**	**41,690.81**
	TOTAL ASSETS		**74,714.12**	**74,829.72**
II.	**EQUITY AND LIABILITIES**			
1	**Shareholders' fund**			
	(a) Equity share capital	14	465.45	408.18
	(b) Other equity		24,458.04	25,292.65
	Total equity		**24,923.49**	**25,700.83**
2	**Liabilities**			
	Non current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	15	5,612.69	6,279.64
	(ii) Trade payables			
	(a) Total outstanding dues of micro enterprises and small enterprises	16	-	-
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		4,779.24	3,302.45
	(iii) Other financial liability	17	1,283.80	844.96
	(b) Provisions	18	110.35	152.54
	(c) Other non current liabilities	19	7,775.02	4,582.25
	(d) Deferred revenue	20	68.01	75.59
	Total non current liabilities		**19,629.11**	**15,237.43**
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	21	13,478.40	12,409.07
	(ii) Trade payables			
	a) Total outstanding dues of micro enterprises and small enterprises	22	31.97	23.92
	b) Total outstanding dues of creditors other than micro enterprises and small enterprises		11,193.53	13,022.11
	(iii) Other financial liabilities	23	534.50	767.21
	(b) Provisions	18	61.76	22.04
	(c) Other current liabilities	24	4,861.36	7,647.12
	Total current liabilities		**30,161.52**	**33,891.45**
	TOTAL EQUITY AND LIABILITIES		**74,714.12**	**74,829.72**
	Summary of significant accounting policies	1		

The notes referred to above form an integral part of these financial statements
As per our report of even date

For **T.P. Ostwal & Associates LLP**
Firm Regn No:124444W/W100150
Chartered Accountants

Anil A. Mehta
Partner
Membership No. 030529

Place : Mumbai
Date : June 11, 2021

For and on behalf of Board

Rupen Patel
Chairman &
Managing Director
DIN : 00029583

Kavita Shirvaikar
Chief Financial Officer &
Director
DIN : 07737376

Sunil Sapre
Director
DIN : 05356483

Shobha Shetty
Company Secretary
Mem. No.: F10047

Statement of Profit and Loss for the year ended March 31, 2021

		Notes	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
I.	**Revenue from operations**	**25**	17,191.25	23,330.59
II.	**Other income**	**26**	1,433.07	3,149.45
III.	**Total revenue (I + II)**		**18,624.32**	**26,480.04**
IV.	**Expenses:**			
	Cost of construction	**27**	12,628.03	19,017.70
	Purchase of stock in trade		-	91.02
	Employee benefits expense	**28**	1,876.04	1,818.63
	Finance costs	**29**	3,693.83	3,309.06
	Depreciation and amortization expense	**2**	639.06	586.27
	Other expenses	**30**	998.69	1,156.60
	Total expenses		**19,835.65**	**25,979.25**
V.	**Profit / (loss) before exceptional items and tax (III-IV)**		**(1,211.33)**	**500.79**
VI.	**Exceptional items**	**31**	939.13	(111.17)
VII.	**Profit / (loss) before tax (V - VI)**		**(2,150.46)**	**611.97**
VIII.	**Tax expense:**			
	(1) Current tax		49.50	163.86
	(2) Earlier years		-	(86.39)
	(3) Deferred tax		(815.98)	162.82
IX.	**Profit / (loss) for the year (VII-VIII)**		**(1,383.98)**	**371.68**
X.	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans		(57.73)	(12.57)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		20.24	4.42
XI.	**Total other comprehensive income**		(37.49)	(8.14)
XII.	**Total comprehensive income for the year (IX+XI) (Comprising profit / (loss) and other comprehensive income for the year)**		**(1,421.47)**	**363.53**
XIII.	**Earnings per equity share (₹):**			
	(1) Basic	**35**	(3.23)	1.30
	(2) Diluted		(3.23)	0.89
	Summary of significant accounting policies	**1**		

The notes referred to above form an integral part of these financial statements
As per our report of even date

For **T.P. Ostwal & Associates LLP**
Firm Regn No:124444W/W100150
Chartered Accountants

Anil A. Mehta
Partner
Membership No. 030529

Place : Mumbai
Date : June 11, 2021

For and on behalf of Board

Rupen Patel
Chairman &
Managing Director
DIN : 00029583

Kavita Shirvaikar
Chief Financial Officer &
Director
DIN : 07737376

Sunil Sapre
Director
DIN : 05356483

Shobha Shetty
Company Secretary
Mem. No.: F10047

Cash Flow Statement for the year ended March 31, 2021

	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) after tax	(1,383.98)	371.68
Adjustment for:		
Depreciation/ amortisation	639.06	586.27
Tax expenses	(766.48)	240.29
Finance charges	3,693.83	3,309.05
Interest income and dividend received	(944.93)	(2,242.96)
Foreign exchange (gain)/loss	59.34	(160.71)
Provision for leave salary	13.05	27.99
Provision for gratuity	44.93	15.24
Share in profit from joint operations	(62.16)	(176.20)
Provision for impairment	1,198.46	118.09
Profit on sale of assets	(4.79)	(14.99)
Excess credit written back	(775.77)	(833.85)
Irrecoverable debts and advances written off	500.95	118.66
ESOP compensation expenses	1.08	4.09
OPERATING PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES	**2,212.59**	**1,362.62**
Adjustment for changes in:		
Trade and other receivables	1,310.98	(2,705.33)
Inventories	(1,050.80)	498.71
Trade and other payables (excluding income tax)	67.66	4,160.25
Cash from operations	**2,540.43**	**3,316.25**
Direct tax (paid) /refund received	(122.31)	618.93
NET CASH FROM OPERATING ACTIVITIES (A)	**2,418.12**	**3,935.18**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including capital work in progress and capital advances)	(1,111.94)	(689.38)
Sale of fixed assets	76.85	33.18
Increase in loans to subsidiaries/ JV/ associates	(34.80)	(77.62)
Purchase of investments	(4.98)	0.00
Increase in other bank balances	54.29	24.43
Interest and dividend received	798.03	66.25
NET CASH USED IN INVESTING ACTIVITIES (B)	**(222.55)**	**(643.15)**

	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of shares	(0.00)	177.60
Proceeds from borrowings	1,933.59	436.64
Repayment of borrowings	(1,221.98)	(1,504.27)
Dividend paid	-	(0.21)
Finance charges paid	(2,774.92)	(2,594.55)
NET CASH USED IN FINANCING ACTIVITIES (C)	**(2,063.31)**	**(3,484.79)**
Net increase / (decrease) in cash and cash equivalent (A+B+C)	**132.26**	**(192.76)**
Opening balance of cash and cash equivalents	1,066.34	1,098.38
Balance of cash and cash equivalents	1,198.60	905.62

Notes to cash flow statement

a) **Cash and cash equivalents**

Cash on hand and balance with banks	1,139.26	1,066.34
Effect of exchange rate changes	59.34	(160.71)
Closing cash and cash equivalents as restated	1,198.60	905.62

b) Cash flow statement has been prepared under the indirect method as set out in IndAS - 7 specified under Section 133 of the Companies Act, 2013.

c) **Reconcilation of liabilities arising from financing activities** ₹ Million

March 31, 2021	Opening balance	Cash flow	Non-cash changes	Closing balance
Borrowings (including short term borrowing, long term borrowing & current maturity)	19,037.52	711.61	(301.02)	19,448.11
Total	**19,037.52**	**711.61**	**(301.02)**	**19,448.11**

March 31, 2020	Opening balance	Cash flow	Non-cash changes	Closing balance
Borrowings (including short term borrowing, Long term borrowing & current maturity)	22,152.69	(1,067.63)	(2,047.54)	19,037.52
Unpaid dividend	0.21	(0.21)	-	-
Total	**22,152.90**	**(1,067.84)**	**(2,047.54)**	**19,037.52**

As per our report of even date

For **T.P. Ostwal & Associates LLP**
Firm Regn No:124444W/W100150
Chartered Accountants

Anil A. Mehta
Partner
Membership No. 030529

Place : Mumbai
Date : June 11, 2021

For and on behalf of Board

Rupen Patel
Chairman & Managing Director
DIN : 00029583

Kavita Shirvaikar
Chief Financial Officer & Director
DIN : 07737376

Sunil Sapre
Director
DIN : 05356483

Shobha Shetty
Company Secretary
Mem. No.: F10047

Statement of Changes in Equity for the year ended March 31, 2021

(A) EQUITY SHARE CAPITAL

Particulars	Number of shares	₹ Million
Equity shares of ₹ 1/- each issued, subscribed and paid		
As at March 31, 2020	164,248,506	164.25
Issue of equity shares	243,929,786	243.93
As at March 31, 2021	**408,178,292**	**408.18**
Issue of equity shares	57,274,732	57.27
As at March 31, 2021	**465,453,024**	**465.45**

(B) OTHER EQUITY

₹ Million

Particulars	Equity Component of compound financial instruments	Reserves and surplus							
		Capital reserve	General reserve	Securities premium	Debenture redemption reserve	Stock option outstanding account	Capital redemption reserve	Surplus in the statement of profit and loss	Total equity attributable to equity holders
As at March 31, 2019	**-**	**266.51**	**2,639.97**	**12,012.64**	**172.00**	**8.85**	**300.00**	**7,474.66**	**22,874.63**
Profit for the year	-	-	-	-	-	-	-	371.68	371.68
Other comprehensive income for the year	-	-	-	-	-	-	-	(8.14)	(8.14)
- Employee stock option	-	-	-	-	-	4.09	-	-	4.09
- On account of consolidation of joint venture	-	-	-	-	-	-	-	(223.24)	(223.24)
- Issued during the year	166.69	-	-	-	-	-	-	-	166.69
- Issue of equity shares	-	-	-	2,139.56	-	-	-	-	2,139.56
- Share issue expenses	-			(32.61)					(32.61)
- Transfer from / to debenture redemption reserve	-	-	172.00	-	(172.00)	-	-	-	-
As at March 31, 2020	**166.69**	**266.51**	**2,811.97**	**14,119.58**	**-**	**12.93**	**300.00**	**7,614.95**	**25,292.65**
Profit for the year	-	-	-	-	-	-	-	(1,383.98)	(1,383.98)
- Other comprehensive income for the year	-	-	-	-	-	-	-	(37.50)	(37.50)
- On account of consolidation of joint venture	-	-	-	-	-	-	-	(63.02)	(63.02)
- Issued during the year	(166.69)	-	-	-	-	-	-	-	(166.69)
- Issue of equity shares	-	-	-	819.97	-	-	-	-	819.97
- Share issue expenses	-			-					-
- Employee stock option	-	-	-	-	-	(11.37)	-	7.98	(3.39)
- Transfer from / to debenture redemption reserve	-	-	-	-	-	-	-	-	-
As at March 31, 2021	**-**	**266.51**	**2,811.97**	**14,939.55**	**-**	**1.56**	**300.00**	**6,138.43**	**24,458.04**

Capital reserve : The Company recognizes reserve on investment in parthnership firm.

General reserve: The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provision of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Act.

Securities premium: Securities premium is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, equity related expenses like underwriting costs, etc.

Debenture redemption reserve: The Company is required to create a debenture redemption reserve out of the profits which are available for payment of dividend to be utilised for the purpose of redemption of debentures in accordance with the provisions of the Act.

Stock option outstanding account: The Company has share option schemes under which options to subscribe for the Company's shares have been granted to certain employees. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

Capital redemption reserve: The company has recognised Capital redemption reserve on buyback of preference shares from its retained earning. The amount in capital redemption reserve is equal to nominal amount of preference share bought back.

Surplus in the statement of profit and loss: Retained earning are the profits that the company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Notes to Standalone Financial Statements for the year ended March 31, 2021

NOTE : 1

1.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The financial statements of Patel Engineering Limited ("the Company or PEL") have been prepared to comply, in all material respects, with the Indian Accounting Standards ("Ind AS") as specified under section 133 of the Companies Act 2013 read together with the Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and amendment thereof issued by the Ministry of Corporate Affairs in exercise of the power conferred by section 133 of the Companies Act 2013 and the other relevant provisions of the Act, pronouncements of the regulatory bodies applicable to the company.

These financial statement have been approved for issue by the Board of Directors, at their meeting held on June 11, 2021.

b) Basis of preparation

The financial statements are prepared under the historical cost convention, on a going concern basis and accrual method of accounting, except for certain financial assets and liabilities as specified in defined benefit plans which have been measured at actuarial valuation as required by relevant Ind AS. The accounting policies applied are consistent with those used in the previous year, except otherwise stated.

The standalone financial statements are presented in Indian Rupees and all values are rounded off to the nearest million (Rupees 000,000), except where otherwise indicated. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding off.

c) Current/non-current classification

The Company as required by Ind AS 1 presents assets and liabilities in the Balance Sheet based on current / non-current classification.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The Company has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of its assets and liabilities, as it is not possible to identify the normal operating cycle.

d) Critical accounting estimates and judgements:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Revisions to accounting estimates are recognised prospectively.

The areas involving critical estimates or judgements are:

- Measurement of defined benefit obligation
- Estimation of useful life of property, plant and equipment and intangibles
- Recognition of deferred taxes
- Estimation of impairment
- Estimation of provision and contingent liabilities

e) Property, plant and equipment

Property, plant and equipment (PPE) are stated at cost of acquisition including attributable interest and finance costs till the date of acquisition/ installation of the assets and improvement thereon less accumulated depreciation and accumulated impairment losses, if any.

Notes to Standalone Financial Statements for the year ended March 31, 2021

Cost comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use. Property, plant and equipment costing ₹ 5,000 or less are not capitalised and charged to the Statement of Profit and Loss.

Machinery Spares that meet the defination of PPE are capitalised.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

The carrying amount of an item of PPE are derecognised on disposal or when no future economic benefits are expected from its use or disposal.

f) Depreciation

As per the Schedule II of the Companies Act 2013, effective April 01, 2014, the management has internally reassessed the useful lives of assets to compute depreciation wherever necessary, to conform to the requirements of the Companies Act, 2013 which is:

Assets	Estimated useful life
Factory building/ building	28/60 years
Machinery/ ship	8 ½ years
Motor cars/ motor truck	8 years
Furniture/ electrical equipments	6 years
Office equipments	5 years
Computer / software	3 years

Intangible assets

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated depreciation / amortisation and impairment loss, if any.

Intangible assets are amortized over their useful life.

g) Impairment of non-financial assets

The carrying amount of assets/cash generating units are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised in the statement of profit and loss whenever the carrying amount of an asset or cash generating unit exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

h) Investments in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are recognised at cost less accumulated impairment (if any) as per Ind AS 27, except where investments accounted for in accordance with Ind AS 105, non-current assets held for sale and discontinued operations, when they are classified as held for sale.

i) Inventories

The stock of construction materials, stores, spares and embedded goods and fuel is valued at cost (on weighted average basis), or net realisable value, whichever is lower and work in progress of construction contracts at contract rate. Work in progress in respect of project development and buildings held as stock-in-trade are valued at cost or net realizable value, whichever is lower.

Project work in progress is valued at contract rates and site mobilisation expenditure of incomplete contracts is stated at lower of cost or net realisable value.

j) Recognition of income and expenditure

i) The company constructs various infrastructure projects on behalf of clients. Under the terms of the contracts, the company is contractually restricted from redirecting the properties to another customer and has an enforceable right to payment for work done. Revenue is therefore recognised over a period of time on a cost to cost method, i.e. based on the stage of completion at the balance sheet date, billing schedules at agreed contract terms with the client on a progressive completion basis. This is achieved by estimating total revenue including claims / variations and total cost till completion of the contract and the profit is recognised in proportion to the value of work done when the outcome of the contract can be estimated reliably. Revenue also includes claims / variations when it is highly probable of recovery based on estimate and assessment of each item by the management based on their judgement of recovery. The management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under Ind AS 115.

The company becomes entitled to invoice customers for construction based on achieving a series of performance related milestones. When a particular milestone is achieved, the customer is sent a statement of work completed assessed by expert. Previously recognised contract asset for any work performed is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date under the cost-to-cost method then the company recognises a contract liability for the difference.

Revenue from trading and consultancy service are recognises when it transfers control of a product or service to a customer.

ii) The company constructs and sells residential properties under long-term contracts with customers. Such contracts are entered into before or after construction of the residential properties begins. Under the terms of the contracts, the company is contractually restricted from redirecting the properties to another customer and does not have an enforceable right to payment for work done. Revenue from construction of real estate properties is therefore recognised at a point of time.

Revenue from building development is measured based on the consideration to which the company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

k) Interest in joint arrangements

As per Ind AS 111 - Joint Arrangements, investment in joint arrangement is classified as either joint operation or joint venture. The classification depends on the contractual rights and obligations of each investor rather than legal structure of the joint arrangement.

The Company recognises its direct right to assets, liabilities, revenue and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

l) Foreign currency transaction/translations

Transactions in foreign currency including acquisition of fixed assets are recorded at the prevailing exchange rates on the date of the transaction. All monetary assets and monetary liabilities in foreign currencies are translated at the relevant rates of exchange prevailing at the year-end. Exchange differences arising out of payment/restatement of long term liabilities relating to property, plant and equipment are capitalized and in other cases amortised over the balance period of such long term monetary items. The unamortized balance is carried in the balance sheet as “foreign currency monetary items translation difference account” as a separate line item under “other equity”.

Revenue transactions at the foreign branch/projects are translated at average rate. Property, plant and equipment are translated at rate prevailing on the date of purchase. Net exchange rate difference is recognized in the statement of profit and loss. Depreciation is translated at rates used for respective assets.

Notes to Standalone Financial Statements for the year ended March 31, 2021

m) Financial instrument:

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

(I) Financial asset:

Initial recognition and measurement :

All financial instruments are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through P&L, transaction costs that are attributable to the acquisition of the financial asset, purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date i.e. the date that the company commits to purchase or sell the asset.

Subsequent measurement :

For the purpose of subsequent measurement financial assets are classified as measured at:

- Amortised cost
- Fair value through profit and loss (FVTPL)
- Fair value through other comprehensive income (FVTOCI).

(a) Financial asset measured at amortized cost :

Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognized as finance income in the statement of profit and loss. The company while applying above criteria has classified the following at amortized cost:

(a) Trade receivables

(b) Investment in subsidiaries, associates and joint ventures

(c) Loans

(d) Other financial assets

(b) Financial assets measured at fair value through other comprehensive income :

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the statement of profit and loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the statement of profit and loss.

(c) Financial assets at fair value through profit or loss (FVTPL) :

Financial asset are measured at fair value through profit and loss if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the statement of profit and loss.

Equity Instruments

All investments in equity instruments classified under financial assets are initially measured at fair value , the group may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL.

De-recognition of financial assets:

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred and the transfer qualifies for derecognition. On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured on the date of recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in the statement of profit and loss.

Impairment of financial assets:

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model by adopting the simplified approach using a provision matrix reflecting current condition and forecasts of future economic conditions for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance

(b) Financial assets that are debt instruments and are measured at FVTOCI.

(c) Lease receivables under Ind AS 17.

(d) Trade receivables or any contractual right to receive cash or another financial asset

(e) Loan commitments which are not measured at FVTPL

(f) Financial guarantee contracts which are not measured at FVTPL"

(II) Financial liability

Initial recognition and measurement :

Financial liabilities are recognized initially at fair value plus any transaction cost that are attributable to the acquisition of the financial liability except financial liabilities at FVTPL that are measured at fair value.

Subsequent measurement :

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

Financial liabilities at amortized cost:

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount.

The company is classifying the following under amortized cost

- Borrowings from banks
- Borrowings from others
- Trade payables
- Other financial liabilities

Derecognition:

A financial liability shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires. The difference between the carrying amount and fair value of the liabilities shall be recognised in the statement of profit and loss.

Notes to Standalone Financial Statements for the year ended March 31, 2021

n) Financial derivative and hedging transactions

In respect of financial derivative and hedging contracts, gain / loss are recognized on mark-to-market basis and charged to the statement of profit and loss along with underlying transactions.

o) Fair value measurement

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of assets.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

p) Employee benefits

Short term employee benefits :

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Contribution towards provident fund/family pensions are made to the recognized funds, where the Company has no further obligations. Such benefits are classified as defined contribution schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Defined benefit plans :

Provision for incremental liability in respect of gratuity and leave encashment is made as per independent actuarial valuation on projected unit credit method made at the year-end.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

q) **Taxation**

Current tax:

Provision for current tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961.

Deferred tax:

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the balance sheet dates. The effect on the deferred tax assets and liabilities of a change in tax rate is recognised in the period that includes the enactment date. Deferred tax assets are recognised only to the extent there is virtual certainty of realization in future.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

r) **Provisions, contingent liabilities and contingent assets**

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are disclosed where an inflow of economic benefits is probable.

s) **Employees stock option plan**

Compensation expenses under "Employee Stock Option Plan" representing excess of fair price of the 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.

t) **Borrowing cost**

Borrowing costs directly attributable and identifiable to the acquisition or construction of qualifying assets are capitalized till the date such qualifying assets are ready to be put to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are charged to statement of profit and loss as incurred.

u) **Leases**

IND AS 116

As a lessee

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

Notes to Standalone Financial Statements for the year ended March 31, 2021

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

v) Business combinations

Business combinations have been accounted for using the acquisition method as per Ind AS 103. The cost of an acquisition is measured at the fair value of the asset transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred. Business combinations between entities under common control are accounted for at carrying value. Transaction costs that the company incurs in connection with a business combination are expensed as incurred.

w) Earning per share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

x) Non-current assets held for sale and discontinued operation

Non-current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

y) Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2021.

Note : 2

PROPERTY, PLANT AND EQUIPMENT AS AT MARCH 31, 2021

₹ Million

Particulars	Gross block				Depreciation and amortization				Net book value	
	As at April 1, 2020	Addition	Deduction/ Retirement	As at March 31, 2021	As at April 1, 2020	For the year	Adjustment /Deduction	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
TANGIBLE ASSETS										
Land[1]	169.29	-	-	169.29	-	-	-	-	169.29	169.29
Building[2]	424.97	-	-	424.97	112.33	9.76	-	122.10	302.88	312.64
Plant and equipment[3]	5,387.18	1,178.49	41.16	6,524.51	3,560.44	389.37	9.64	3,940.17	2,584.34	1,826.74
Furniture and fixtures	42.85	1.17	-	44.02	38.82	1.06	-	39.88	4.15	4.04
Vehicles[4]	1,263.99	81.22	-	1,345.21	1,032.41	80.33	-	1,112.73	232.47	231.58
Office equipments	45.75	0.42	-	46.17	41.85	1.40	-	43.25	2.93	3.91
Others[5]	40.08	-	-	40.08	28.07	0.89	-	28.96	11.12	12.01
Electric equipment	75.48	21.66	-	97.14	53.92	7.66	-	61.58	35.56	21.56
Computer equipments	100.92	14.78	0.13	115.56	80.36	8.76	0.12	89.00	26.57	20.56
	7,550.51	**1,297.74**	**41.29**	**8,806.96**	**4,948.19**	**499.23**	**9.76**	**5,437.67**	**3,369.29**	**2,602.32**
RIGHT TO USE										
Building	83.79	0.13	80.24	3.69	22.96	19.47	40.12	2.30	1.38	60.83
Plant and equipment	469.46	-	0.55	468.91	132.32	117.80	0.15	249.97	218.94	337.14
Vehicles	12.06			12.06	2.20	1.46		3.66	8.40	9.86
	565.32	**0.13**	**80.80**	**484.65**	**157.48**	**138.72**	**40.27**	**255.94**	**228.72**	**407.83**
TOTAL PPE AND RIGHT TO USE	**8,115.83**	**1,297.87**	**122.09**	**9,291.61**	**5,105.67**	**637.96**	**50.03**	**5,693.60**	**3,598.01**	**3,010.15**
INTANGIBLE ASSETS										
Computer software	53.92	1.64	-	55.56	51.42	1.10	-	52.53	3.04	2.50
CAPITAL WORK IN PROGRESS									54.57	105.99
TOTAL	**8,169.75**	**1,299.51**	**122.09**	**9,347.18**	**5,157.10**	**639.06**	**50.03**	**5,746.13**	**3,655.61**	**3,118.64**

1 Land includes ₹ 5.66 million (PY ₹ 5.66 million) held in the name of directors, relatives of directors and employees for and on behalf of the Company.

2 a) Building includes building [gross block ₹ 277.79 million (PY ₹ 277.79 million), accumulated depreciation ₹ 56.56 million (PY ₹ 51.64 million)] and factory building [gross block ₹ 147.19 million (PY ₹ 147.19 million), accumulated depreciation ₹ 65.94 million (PY ₹ 60.69 million)]

b) ₹ 0.0083 million (PY ₹ 0.0083 million) being the value of 165 shares (PY 165 shares) and share deposits in Co-operative Societies.

3 Includes assets costing ₹ 37.37 million (PY ₹ 18.81 million) not commissioned/erected/put to use, Nil (PY Nil) towards exchange rate difference.

₹ Million

4

Vehicles includes	Gross block 2020-21	Gross block 2019-20	Acc dep. 2020-21	Acc dep. 2019-20
Motor car	281.14	262.61	212.62	195.31
Motor truck	1,060.49	997.90	897.51	834.76
Motor cycle	3.58	3.47	2.77	2.51

₹ Million

5

Others include	Gross block 2020-21	Gross block 2019-20	Acc dep. 2020-21	Acc dep. 2019-20
Ship	0.06	0.06	0.06	0.06
Rails and trolley	40.01	40.01	28.91	28.02

Notes to Standalone Financial Statements for the year ended March 31, 2021

Note : 2 (contd.)
PROPERTY, PLANT AND EQUIPMENT AS AT MARCH 31, 2020

₹ Million

Particulars	Gross block				Depreciation and amortization				Net book value	
	As at April 1, 2019	Addition	Deduction/ retirement	As at March 31, 2020	As at April 1, 2019	For the year	Adjustment /Deduction	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
TANGIBLE ASSETS										
Land[1]	174.17	-	4.88	169.29	-	-	-	-	169.29	174.17
Building[2]	429.43	0.02	4.48	424.97	99.34	14.04	1.05	112.33	312.64	330.09
Plant and equipment[3]	4,880.50	544.35	37.67	5,387.18	3,255.34	333.70	28.60	3,560.44	1,826.74	1,625.16
Furniture and fixtures	42.00	0.85	-	42.85	37.69	1.13	-	38.82	4.03	4.31
Vehicles[4]	1,235.12	52.77	23.90	1,263.99	975.53	79.98	23.11	1,032.41	231.58	259.59
Office equipments	44.46	1.28	-	45.75	40.47	1.37	-	41.85	3.91	3.99
Others[5]	39.60	0.48	-	40.08	27.19	0.87	-	28.07	12.01	12.41
Electric equipment	64.80	10.67	-	75.48	47.40	6.52	-	53.92	21.56	17.40
Computer equipments	82.17	18.97	0.25	100.92	75.13	5.48	0.25	80.36	20.56	7.04
	6,992.25	**629.39**	**71.19**	**7,550.51**	**4,558.11**	**443.09**	**53.01**	**4,948.19**	**2,602.32**	**2,434.16**
RIGHT TO USE										
Building	-	83.79	-	83.79	-	22.96	-	22.96	60.83	-
Plant and equipment	267.94	201.52	-	469.46	14.50	117.81	-	132.32	337.14	253.44
Vehicles	12.06		-	12.06	0.69	1.51	-	2.20	9.86	11.37
	280.00	**285.32**	**-**	**565.32**	**15.20**	**142.28**	**-**	**157.48**	**407.83**	**264.80**
TOTAL PPE AND RIGHT TO USE	**7,272.25**	**914.71**	**71.19**	**8,115.83**	**4,573.30**	**585.37**	**53.01**	**5,105.67**	**3,010.15**	**2,698.98**
INTANGIBLE ASSETS										
Computer software	51.65	2.27	-	53.92	50.53	0.89	-	51.42	2.50	1.12
CAPITAL WORK IN PROGRESS									105.99	28.84
TOTAL	**7,323.90**	**916.98**	**71.19**	**8,169.75**	**4,623.84**	**586.27**	**53.01**	**5,157.10**	**3,118.64**	**2,728.93**

1 Land includes ₹ 5.66 million (PY ₹ 7.09 million) held in the name of directors, relatives of directors and employees for and on behalf of the Company.

2 a) Building includes building [gross block ₹ 277.79 million (PY ₹ 282.24 million), accumulated depreciation ₹ 51.64 million (PY ₹ 43.90 million)] and factory building [gross block ₹ 147.19 million (PY ₹ 147.19 million), accumulated depreciation ₹ 60.69 million (PY ₹ 55.44 million)]

b) ₹ 0.0083 million (PY ₹ 0.0083 million) being the value of 165 shares (PY 165 shares) and share deposits in Co-operative Societies.

c) Addition to land and building includes Nil (PY ₹ 64.90 million) transferred from project development expenses

3 Includes assets costing ₹ 18.81 million (PY Nil) not commissioned/erected/put to use, Nil (PY ₹ 0.47 million) towards exchange rate difference.

₹ Million

4

Vehicles includes	Gross block 2019-20	Gross block 2018-19	Acc dep. 2019-20	Acc dep. 2018-19
Motor car	262.61	251.43	195.31	187.46
Motor truck	997.90	992.63	834.76	786.53
Motor cycle	3.47	3.12	2.51	2.22

₹ Million

5

Others include	Gross block 2019-20	Gross block 2018-19	Acc dep. 2019-20	Acc dep. 2018-19
Ship	0.06	0.06	0.06	0.05
Rails and trolley	40.01	39.53	28.02	27.15

6 On account of adoption of IND AS 116, company has recognised the right to use asset of ₹ 281.91 million (PY Nil) on April 1, 2019. These assets includes ₹ 201.52 million (PY Nil) in plant and machinery and ₹ 80.38 million (PY Nil) in building.

Notes to Standalone Financial Statements for the year ended March 31, 2021

NOTE : 3

INVESTMENT

NON-CURRENT INVESTMENTS	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Investment in equity instruments at cost, Unquoted		
- In subsidiaries		
8,85,220 shares (8,85,220) of Michigan Engineers Pvt. Ltd., Face Value ₹ 10/- per share	111.86	111.86
10,000 shares (10,000) of Shreeanant Construction Pvt. Ltd., Face Value ₹ 10/- per share	0.10	0.10
50,000 shares (50,000) of Apollo Buildwell Pvt. Ltd., Face Value ₹ 10/- per share	0.50	0.50
50,000 shares (50,000) of Arsen Infra Pvt. Ltd., Face Value ₹10/- per share	0.50	0.50
48,565 shares (48,565) of Hera Realcon Pvt. Ltd., Face Value ₹10/- per share	0.49	0.49
50,000 shares (50,000) of Lucina Realtors Pvt. Ltd., Face Value ₹10/- per share	0.50	0.50
10,000 shares (10,000) of PBSR Developers Pvt. Ltd., Face Value ₹10/- per share	0.10	0.10
10,000 Shares (10,000) of Waterfront Developers Ltd., Face Value ₹10/- per share	0.16	0.16
409,422 shares (409,422) of Patel Engineering Inc. of par value US $0.001 per share	391.53	391.53
60,000 shares (60,000) of Zeus Minerals Trading Pvt. Ltd., Face Value ₹10/- per share	0.60	0.60
7,210,000 shares (7,210,000) of Bhooma Realties Pvt. Ltd., Face Value ₹ 10/-per share	72.28	72.28
7,880,000 shares (7,880,000) of Shashvat Land Projects Pvt. Ltd., Face Value ₹ 10/- per share	79.00	79.00
7,000,000 shares (7,000,000) of Pandora Infra Pvt. Ltd., Face Value ₹ 10/- per share	70.18	70.18
9,100,000 shares (9,100,000) of Patel Engineers Pvt. Ltd., Face Value ₹ 10/- per share	91.23	91.23
5,510,000 shares (5,510,000) of Vismaya Constructions Pvt. Ltd., Face Value ₹ 10/- per share	55.24	55.24
14,070,000 shares (14,070,000) of Patel Patron Pvt. Ltd., Face Value ₹ 10/- per share	141.05	141.05
10,000,000 shares (10,000,000) of Patel Engineering Infrastructure Ltd. Face Value ₹ 10/- per share	100.00	100.00
50,000 shares (50,000) of Energy Design Pvt. Ltd. Face Value ₹ 10/- per share	0.50	0.50
50,000 Shares (50,000) of Patel Lands Ltd. Face Value ₹ 10/- per share	0.50	0.50
17,05,000 shares (17,05,000) of Patel Engineering Mauritius Ltd. Face Value Mauritius Rupee 10/- per share	25.76	25.76
33,000 shares (33,000) of Friends Nirman Pvt. Ltd. Face Value ₹10/- per share	24.15	24.15
100,000 shares (100,000) of Patel Concrete & Quarries Pvt. Ltd. Face Value ₹10/- share	1.00	1.00
23,65,000 shares (23,65,000) of Patel Engineering Singapore Pte. Ltd. Face Value US $ 1/- per share	94.46	94.46
41,28,87,859 shares (41,28,87,859) of Patel Energy Resources Ltd. Face Value ₹10 per share	4,128.88	4,128.88
10,000 shares (10,000) of Hampus Infrastructure Pvt. Ltd. Face Value ₹10 per share	0.10	0.10
2,22,00,000 shares (2,22,00,000) of Patel KNR Infrastructures Ltd., Face Value ₹10/- per share	222.00	-
26,193,077 shares (26,193,077) of Patel Engineering Lanka Ltd. Face Value LKR 1/- per share	11.21	11.21
	5,623.88	**5,401.88**
In associates		
Other investments		
8,495,040 Shares (8,495,040) of ACP Tollways Pvt. Ltd., Face Value ₹ 100/- per share	849.50	849.50
Nil shares (51,000) of Pan Realtors Pvt. Ltd. Face Value ₹ 10/- per share	-	4.35
2,40,19,600 shares (2,40,19,600) of Hitodi Infrastructure Pvt. Ltd. Face Value ₹10/- per share	240.20	240.20
26,672,000 shares (26,672,000) of Raichur Sholapur Transmission Co. Pvt. Ltd., Face Value ₹ 10/- per share	266.72	266.72
	1,356.42	**1,360.77**

Notes to Standalone Financial Statements for the year ended March 31, 2021

NON-CURRENT INVESTMENTS	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Investment in redeemable preference shares at cost		
- In subsidiaries		
65,601,097 shares (65,601,097) of Patel Engineering Lanka Ltd. Face Value LKR 1/- per share	27.33	27.33
	27.33	**27.33**
Less : Provision for impairment III	549.36	174.48
	6,458.27	**6,615.51**
Investment in Government Securities IV	0.12	0.12
Investment by joint venture	76.00	76.00
Investment in Partnership Firms V	-	0.03
Investment in Mutual Funds (At FVTPL, Quoted)	5.52	0.52
TOTAL NON -CURRENT INVESTMENT	**6,539.91**	**6,692.17**

I. Aggregated amount of unquoted investments as at March 31, 2021 ₹ 6,534.39 million (PY ₹ 6,691.63 million)

II. Aggregated amount of quoted investments as at March 31, 2021 ₹ 5.52 million, Market value ₹ 5.52 million (PY ₹ 0.52 million, Market value ₹ 0.52 million)

III. Aggregated amount of impairment in value of investments as at March 31, 2021 ₹ 549.36 million (PY ₹ 246.48 million)

IV. Includes investment in national saving certificates, in the name of directors, lodged with project authorities

V. In AHCL-PEL partnership firm – AHCL & Pravin Patel have settled the ongoing arbitration and the other partners shall continue to run the firm. PEL had retired from the firm and the corresponding share of Mr. Pravin Patel was increased.

In Patel Advance JV partnership firm, company is having fixed capital of ₹ 0.03 million. In the firm, partnership sharing has been as follows : the Company 26% (PY 26%), Advance Construction Co. Pvt. Ltd. 12.5% (PY 12.5%), Apollo Buildwell Pvt. Ltd. 12.5% (PY 12.5%), Mr. Sandeep Das 25% (PY 25%) & Mascot Developers Pvt. Ltd. 24% (PY 24%).

NOTE : 4

TRADE RECEIVABLES

	Non-Current		Current	
	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Unsecured, considered good unless otherwise stated				
Receivables outstanding for a period exceeding six months				
Considered good	2,998.64	4,542.62	1,936.55	1,762.91
Considered doubtful	-	-	5.12	5.12
	2,998.64	**4,542.62**	**1,941.67**	**1,768.04**
Less : allowance for doubtful debts	-	-	5.12	5.12
	2,998.64	**4,542.62**	**1,936.55**	**1,762.91**
Other receivables				
Considered good	61.40	191.01	1,422.34	1,347.70
	3,060.04	**4,733.63**	**3,358.89**	**3,110.62**

I There is no trade receivable due from any director or any officer of the company, either severally or jointly with any other person, or form any firms or private companies in which any director is a partner, a director or a member.

II Trade receivables, except receivables on account of claims awarded in arbitration in favour of the company, are non-interest bearing and are generally on term of 30 to 90 days.

III Trade receivable net of advances received against arbitration awards/claims of ₹ 3,381.25 million (PY ₹ 1,788.62 million).

Notes to Standalone Financial Statements for the year ended March 31, 2021

NOTE : 5
LOANS

	Non-Current		Current	
	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Balance in current account with				
Subsidiaries/associates/joint ventures/partnership				
Unsecured, considered good	10,733.06	10,161.40	1,926.68	1,700.81
Balance which have significant increase in credit risk	1,199.23	1,003.89	44.58	44.48
	11,932.29	**11,165.29**	**1,971.26**	**1,745.30**
Less: provision for impairment	1,199.23	1,003.89	44.58	44.48
	10,733.06	**10,161.40**	**1,926.68**	**1,700.82**

NOTE : 6
OTHER FINANCIAL ASSETS

	Non-Current		Current	
	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Cash and bank balances				
Balance with Banks				
-On fixed deposits accounts with scheduled banks*	1,224.22	470.80	-	-
Deferred finance cost	60.85	75.82	-	-
Secured deposit				
Unsecured, considered good	5.06	5.06	116.67	116.67
	1,290.13	**551.68**	**116.67**	**116.67**

* Includes amount given towards margin money and earnest money deposits.

NOTE : 7
DEFERRED TAX ASSETS

	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Retaled to depreciation on fixed assets	(71.15)	(105.42)
Carry forward of an unused tax credit	620.98	-
Other disallowances under the income tax act	1,373.58	1,205.34
	1,923.41	**1,099.92**

Notes to Standalone Financial Statements for the year ended March 31, 2021

Components of deferred income tax assets and liabilities arising on account of temporary differences are:

	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Deferred income tax liability		
Timing difference on tangible and intangible assets depreciation and amortisation	(71.15)	(105.42)
Deferred income tax asset		
Disallowances under income tax act	1,373.58	1,205.34
Carry forward of an unused tax credit	620.98	-
Total deferred tax assets (net)	**1,923.41**	**1,099.92**

NOTE : 8
CURRENT TAX ASSETS (NET)

	Non-Current		Current	
	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Advance tax (net)[1]	23.16	-	-	-
	23.16	-	-	-

1 Includes advance tax which is net of provision for tax ₹ 2261.94 million (PY Nil).

2 A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income taxes is as below:

	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Profit / loss before income tax	(2,150.46)	611.97
Income tax expense calculated at 34.944%	(751.46)	213.85
Effect of expenses not allowed for tax purpose	257.70	14.28
Effect of income not considered for tax purpose	(1.67)	(5.24)
Others	544.93	(59.03)
	49.50	**163.86**

Notes to Standalone Financial Statements for the year ended March 31, 2021

NOTE : 9
OTHER ASSETS

	Non-Current		Current	
	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Capital advance				
Secured, considered good				
Unsecured, considered good	111.25	552.61	-	-
Security deposit				
Unsecured, considered good	2,928.94	3,630.27	1,226.39	1,398.61
Advance recoverable				
Unsecured, considered good	344.06	514.56	3,844.64	4,214.51
Doubtful	527.49	527.49	-	-
Prepaid expenses	197.71	84.03	379.30	240.04
Balance with statutory authorities	913.45	326.92	1,118.54	1,320.21
Accrued interest	1,218.43	1,743.84	28.58	27.31
Receivable on account of sale of long term investments	-	-	51.88	66.88
Non trade receivables	-	0.01	25.50	26.00
Advances to employees	1.91	16.31	33.52	11.06
	6,243.24	**7,396.03**	**6,708.35**	**7,304.62**
Less: allowance for doubtful advances	527.49	527.49	-	-
Less: provision for impairment	-	87.09	-	-
	5,715.75	**6,781.45**	**6,708.35**	**7,304.62**

NOTE : 10
INVENTORIES *
(At lower of cost or net realisable value)

	Current	
	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Stock of land	2,293.71	3,064.37
Stores, embedded goods and spare parts etc.	1,662.01	1,423.43
(Includes stores in transit ₹ 99.80 million (PY ₹ 29.09 million)		
Work in progress	24,567.47	23,753.94
	28,523.19	**28,241.74**

*(As technically valued and certified by the management)

Notes to Standalone Financial Statements for the year ended March 31, 2021

NOTE : 11
CASH AND CASH EQUIVALENTS

	Current	
	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Balance with banks		
- On current accounts with scheduled banks	1,021.43	953.26
- On fixed deposits accounts with scheduled banks	98.90	91.15
- On fixed deposits accounts with foreign banks	17.21	19.54
- Balances with non scheduled banks	-	0.31
- Cheques in hand	-	0.03
- Foreign currency in hand	0.52	0.23
Cash on hand	1.20	1.81
	1,139.26	**1,066.34**

NOTE : 12
OTHER BANK BALANCES

	Current	
	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Balances with bank for unpaid dividend	-	-
	-	**-**

NOTE : 13
ASSETS CLASSIFIED AS HELD FOR SALE

	Current	
	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Investment		
Nil shares (2,22,00,000) of Patel KNR Infrastructures Ltd., Face Value ₹ 10/- per share	-	222.00
2,50,000 shares (2,50,000) of Bellona Estate Developers Ltd., Face Value ₹ 10/- per	-	-
Less : provision for impairment	-	72.00
TOTAL	**-**	**150.00**

Notes to Standalone Financial Statements for the year ended March 31, 2021

NOTE : 14

SHARE CAPITAL AND OTHER EQUITY

A)	SHARE CAPITAL	March 31, 2021		March 31, 2020	
		No. of shares	₹ Million	No. of shares	₹ Million
a)	**Authorized**				
	Equity shares of ₹ 1/- each	2,750,000,000	2,750.00	2,750,000,000	2,750.00
	Zero Coupon Optionally Convertible Preference Shares of ₹ 1/- each*	800,000,000	800.00	800,000,000	800.00
	Preference shares of ₹ 10,000,000/- each	-	-	-	-

* On March 20, 2020, the shareholder of the company at its Extra-ordinary General Meeting approved amendment to Memorandum of Association to the extent of sub-dividing the existing 80 (Eighty) Zero Coupon Optionally Convertible Preference Shares of ₹ 1,00,00,000/- each to 80,00,00,000/- (Eighty Crore) Zero Coupon Optionally Convertible Preference Shares of ₹ 1/- each.

		March 31, 2021		March 31, 2020	
		No. of shares	₹ Million	No. of shares	₹ Million
b)	**Issued, subscribed and fully paid up**				
	Equity shares of ₹ 1/- each	465,453,024	465.45	408,178,292	408.17
		465,453,024	**465.45**	**408,178,292**	**408.17**

c) Terms/rights attached to equity shares

The Company has only one class of shares referred to as equity shares of ₹ 1/- each and each holder of equity shares is entitled to the same rights in all respects.

Terms/rights attached to Zero Coupon Optionally Convertible Preference shares

The Company has only one class of preference share referred to as Zero Coupon Optionally Convertible preference shares ('OCPS') of ₹ 1/- each and is convertible at the option of the shareholder within a period of 18 months from the date of allotment of OCPS. The balance remaining, if any, after exercise of all the option before the expiry of 18 months, shall be redeemed after a period of 10 years from the date of allotment or earlier of the option of the Company but not earlier than the Optionally Convertible Debentures issued to the lenders of the Company. The OCPS shall carry a preferential right vis-a-vis equity share of the Company with respect to repayment of capital and there shall be no dividend payable on these OCPS.

d)	**Reconciliation of equity shares outstanding at the beginning and at end of the year**	No. of shares	₹ Million	No. of shares	₹ Million
	Outstanding at the beginning of the year	408,178,292	408.18	164,248,506	164.24
	Add :- issued during the year	57,274,732	57.27	243,929,786	243.93
	Outstanding at the end of the year	**465,453,024**	**465.45**	**408,178,292**	**408.17**

Notes to Standalone Financial Statements for the year ended March 31, 2021

e) Share held by each shareholder more than 5%

Equity shares

	Name of the shareholder	No. of shares	% holding	No. of shares	% holding
i)	Raahitya Constructions Pvt. Ltd. (erstwhile Patel Corporation LLP)	18,53,31,924	39.82	185,331,924	45.40
ii)	Praham India LLP	4,01,95,352	8.63	30,995,882	7.59
iii)	Mr. Rupen Pravin Patel	3,46,85,933	7.45	34,685,933	8.50
iv)	Bank of Baroda	2,05,72,368	4.42	20,572,368	5.04

f) During the previous year Company had made preferential allotment of 53,99,66,397 fully paid-up Zero Coupon Optionally Convertible Preference shares ('OCPS') to a Promoter of the Company pursuant to a contract without payment being received in cash. Out of the above, previous year 37,32,72,000 options were converted into 2,06,00,000 equity shares at a price of ₹ 18.12 /- (including security premium of ₹ 17.12/-). Balance 16,66,94,397 OCPS has converted in current year into 91,99,470 equity shares.

Further, During the year, company has made preferential allotment of 4,80,75,262 fully paid-up shares at a price of ₹ 14.78/- (including security premium of ₹ 13.78/-) to a lenders of the subsidiaries pursuant to a one time settlement contract without payment being received in cash.

g) Shares reserved under options

In pursuant to the scheme of Sustainable Structuring of Stressed Assets (S4A scheme), company has converted debt into 0.01% Optionally Convertible Debentures (OCD) with a 7% IRR. Details note related to outstanding option and term of conversion/ redemption of OCD has given under the head of borrowings.

h) During the previous year the company had issued and allotted 22,33,29,786 equity shares, by way of right issue to the existing shareholders of the Company, of face value of ₹ 1/- each at the price of ₹ 9/- per Equity share (including a premium of ₹ 8/- per share) aggregating to ₹ 200.10 crore.

B) OTHER EQUITY - Refer statement of change in equity for detailed disclosure.

NOTE : 15
BORROWINGS

		Non-Current Portion		Current Maturities	
		March 31, 2021 ₹ Million	March 31, 2020 ₹ Million	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
I	**Secured loans**				
a)	Debentures [1]	4,995.72	5,281.00	-	50.00
b)	Term loans				
	- From bank [2]	193.91	573.28	332.26	96.96
	- From others [3]	423.06	425.35	24.77	201.86
II	**Unsecured loans**				
	- Amount disclosed under "the financial liabilities" in Note No. 23	-	-	(357.03)	(348.82)
		5,612.69	**6,279.64**	**-**	**-**

Notes to Standalone Financial Statements for the year ended March 31, 2021

1 Debentures

a) LIC - 11.30% NCD (ISIN INE244B07144) : 11.30% Secured Redeemable Non Convertible Debentures was allotted on September 17, 2012 for a period of 10 years. These debentures have a face value of ₹ 1.0 million each aggregating to ₹ 1,138.00 million (PY ₹1,138.00 million). These NCDs along with the OCDs issued to LIC of ₹ 708.30 million (PY ₹ 708.30 million) is secured against charge on certain land held as stock in trade of the Company and its subsidiaries. The above debentures are listed on The National Stock Exchange of India.

b) During FY 18, S4A (Scheme for Sustainable Structuring of Stressed Assets) 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. Further in FY 19, Implementation from LIC (Life Insurance Corporation of India) & GIC (General Insurance Corporation of India) was completed as per the scheme and Units of OCD under Part B Debt was issued by the company. As part of the above S4A scheme, lenders of the company had converted Part B debt from Working Capital Term Loan (WCTL) , Working Capital facilities (CC) , Non Convertible Debentures (NCD) & Short Term Loans (STL) facilities into various tranches of Optionally Converted Debentures (OCD). The tranche wise details of OCD allotted during the year and outstanding as on March 31, 2021 are as follows -

Tranche 1. (WCTL) ₹ 1,190.73 million (PY ₹ 1,303.00 million) ,Tranche 2 (CC) ₹ 2,218.45 million (PY ₹ 2,532.51 million), Tranche 3 (GIC OCD) ₹ 43.90 million (P.Y ₹ 43.90 million), Tranche 4 (SCB STL) Nil (PY ₹ 50.00 million) Tranche 5 (NCD) Nil (PY ₹ 1.30 million), Tranche 7 (LIC) ₹ 708.30 million (PY ₹ 708.30 million) & Tranche 9. (STL) ₹ 349.00 million (PY ₹ 349.00 million).

These debentures have a face value of ₹ 1000/- each aggregating to ₹ 4510.38 million as on March 31, 2021 (PY ₹ 4987.91 million).

The OCD's carry a coupon rate of 0.01% p.a. payable annually on March 31 every year, with a Yield to Maturity (YTM) of 7% p.a. payable at the time of maturity, payable from the reference date August 8, 2017 (for Tranches 1,2,4,5,9) and the original repayment schedule for repayment is over a period of 10 years as follows -

At the end of 6th year from reference date, i.e. August 8, 2023 - 5%, end of 7th year, i.e. August 8, 2024 - 20%, end of 8th year, i.e. August 8, 2025 - 25%, end of 9th year, i.e. August 8, 2026 - 25% and end of 10th year, i.e. August 8, 2027 - 25%. For Tranche 3 (GIC) the OCD units were credited effective July 1, 2018 & Tranche 7 (LIC) the OCD Units were credited effective December 17, 2018, with Moratorium of 5 Years and balance payable in 5% in Year 6, 20% in Year 7, 25% each in Year 8 ,Year 9 & Year 10, from their effective credit date along with the Yield to Maturity of 7% p.a.

Tranche 1 is secured against the same security as for WCTL - refer note 12 - 2 a) below in Term Loan Banks, Working Capital Term Loan note.

Tranche 2 is secured against the same security as for CC - refer note 17 - 2) below in Working capital Demand loan Note, Tranche 3 is secured against charge on certain property held as fixed assets of the company and subservient charge on all the property, plant and equipment of the company. Tranche 7 is secured against the same security as for NCD earlier which were issued to LIC - refer note 12 - 1a) above.

Tranche 1 & Tranche 2 are also secured by pledge of 93,50,927 Shares (PY 93,50,927 Shares) of Patel Engineering Limited held by Mr. Pravin Patel and promoters of the company and pledge of 49% holding of the company in Hitodi Infrastructure Pvt. Ltd. The said OCDs are also secured by Personal Guarantees of Mr. Rupen Patel . These securities are also for Part A Debt.

Tranche 5 is secured against the pledge of 93,50,927 Shares (PY 93,50,927 Shares) of Patel Engineering Limited. held by Mr. Pravin Patel and promoters of the company.

Tranche 9 is secured against the same security as for STL of DBS respectively - refer note 17 - 1) below in Short Term Loans Note.

Notes to Standalone Financial Statements for the year ended March 31, 2021

c) As per Section 71 of the Companies Act, 2013 the Company had created adequate debenture redemption reserve ('DRR') for the above series of secured redeemable non convertible debenture. However, Ministry of Corporate Affairs ('MCA') has issued the notification of DRR on August 16, 2019 which exempt the DRR requirement to a listed entities. On the basis of this notification, company has transferred DRR balance to general reserve. Further, in terms section 71 read with Rule 18(7)(c) of Companies Share Capital and Debentures Rules, 2014, no deposit / investment was made by the Company as there are no additional debentures which are maturing during the next year 2021-22.

2 Term loan banks

Term loan includes Working Capital Term Loan(WCTL) secured by a first paripassu charge on the receivables more than 180 days, retention deposit, stock of land, immovable property and mortgage over certain lands owned by subsidiary companies, corporate guarantee and pledge of 30% shareholding of subsidiaries owning real estate lands. Mr. Rupen Patel, promoter in their personal capacity and Mr. Muthu Raj to the extent of the value of the property owned by them, has provided personal guarantees for WCTL. Also there is a charge on escrow accounts of Company, wherein cashflows will be deposited from real estate projects to be developed/monetized by respective companies, pledge of 93,50,927 Shares (PY 93,50,927 Shares) of Patel Engineering Limited held by Mr. Pravin Patel and promoters and 49% Share holding of Hitodi Infrastructure Pvt. Ltd. held by the Company. The WCTL Term loans were repayable over 1 to 4 years starting FY 2020 to FY 2023. During the current financial year, due to Covid 19 Pandemic, the lenders had invoked One time Restructuring (OTR) which has been implemented subsequently by the lenders and all principal repayments have been shifted by 2 years, accordingly, the balance WCTL is repayable from FY 23 to FY 25. Also, the lenders have sanctioned FITL (Funded Interest Term Loan) on the said debt from March 1, 2021 upto March 31, 2022 and accordingly there are no interest and principal overdue for repayment & outstanding for such loans taken by the company as of date. The rates of Interest for these loans vary between 10%- 13% (floating) linked to Monitoring Institution's base rate.

3 From others

The Term Loan of ₹ 447.82 million includes loans from Financial Institutions on Equipments, secured against the said Equipments. These loans carried an interest rate of average between 13%-14% on an average, with a repayment period of 3-5 years. This Term Loan with an average rate of interest of 14%-15% with maturity period of 1-3 yrs. Presently there are no interest and principal overdue for repayment & outstanding for such loans taken by the company. The above amount also includes ₹ 260.7 million. (PY ₹ 280.0 million) as finance lease against equipments caring an interest rate of 15.51 % with repayment up to 3 years ending January 2025 and starting from May 2020.

NOTE : 16
TRADE PAYABLES

	Non-Current	
	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,387.92	3,123.30
Capital creditors	391.32	179.15
	4,779.24	**3,302.45**

Notes to Standalone Financial Statements for the year ended March 31, 2021

NOTE : 17
OTHER FINANCIAL LIABILITIES

	Non-Current	
	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Retention deposits (Contractually to be refunded after 1 year from completion of work)	-	1.77
Interest accrued but not due on borrowings	1,283.80	843.19
	1,283.80	**844.96**

NOTE : 18
PROVISIONS

	Non-Current		Current	
	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Provision for employee benefits (Refer note no 32)				
Provision for gratuity	22.55	23.16	45.87	0.32
Provision for leave entitlements	87.80	68.92	15.89	21.72
Provision for taxation	-	60.46	-	-
	110.35	**152.54**	**61.76**	**22.04**

NOTE : 19
OTHER NON CURRENT LIABILITY

	Non-Current	
	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Contractee advances	6,595.80	3,499.32
Deposits	160.51	232.88
Other liability	1,018.71	850.05
	7,775.02	**4,582.25**

NOTE : 20
DEFERRED REVENUE

	Non-Current	
	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Deferred revenue	68.01	75.59
	68.01	**75.59**

Notes to Standalone Financial Statements for the year ended March 31, 2021

NOTE : 21
BORROWINGS

		Current	
		March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
I	**Secured loans**		
	Short term loans [1]		
	- From bank	1,349.64	703.82
	- From other	467.00	180.00
	Loans repayable on demand		
	- From bank [2]	10,878.47	10,737.29
II	**Unsecured loans**		
	- From others	-	-
	- From related parties[3]	783.29	787.95
		13,478.40	**12,409.07**

Short term loan

1 Includes short term loans from various banks against various immovable properties of company at Interest rate of 11.60% - 12.75% (PY 11.60% - 12.75%) due for rollover in next financial year. Presently there are no interest and principal overdue for repayment & outstanding for such loans taken by the company.

Includes short term loans from others at Interest rate of 15.00% due for rollover in next financial year. FITL has been sanctioned for these loans from March 1, 2021 upto March 31, 2022. Presently there are no interest and principal overdue for repayment & outstanding for such loans taken by the company.

2 **Loans repayable on demand**

Includes Cash Credit and Working Capital Demand Loan from various banks. These loans have been given against first charge hypothecation of stocks, spare parts, book debts, work in progress & guarantees; Secured against Pledge of 93,50,927 Shares (PY 93,50,927 Shares) of Patel Engineering Limited held by Mr. Pravin Patel and promoters and 49% Share holding of Hitodi Infrastructures Pvt. Ltd. held by the Company. It also has second charge on receivable above 180 days, subservient charge over plant & machinery except specifically charged to any lenders and over certain immovable properties and right over residual cash flow's from sale of real estate charged to WCTL lenders. FITL has been sanctioned for the loans from March 1, 2021 to March 31, 2022.

Terms of repayment:

Cash credit - yearly renewal, Rate of Interest ranges between 10%-12.85% p.a. (PY 10%-12.85% p.a.)

3 **Unsecured loan**

It includes short term inter corporate payables to related parties of ₹ 783.29 million (PY ₹ 787.95 million).

NOTE : 22
TRADE PAYABLES

	Current	
	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Total outstanding dues of micro enterprises and small enterprises [1]	31.97	23.92
Total outstanding dues of creditors other than micro enterprises and small enterprises	11,193.53	13,022.11
	11,225.50	**13,046.03**

Notes to Standalone Financial Statements for the year ended March 31, 2021

1 The Company has ₹ 31.97 million (PY ₹ 23.92 million) due to suppliers under the Micro Small and Medium Enterprise Development Act, 2006, as at March 31, 2021. Principal amount due to suppliers under the Act is ₹ 20.66 million (PY ₹ 15.24 million). Interest accrued and due to the suppliers on the above amount is ₹ 8.96 million (PY ₹ 4.42 million). Payment made to the suppliers (other than interest) beyond appointed day during the year is ₹ 17.36 million (PY ₹ 19.21 million). Interest paid to the suppliers under the Act is Nil (PY Nil). Interest due and payable to the suppliers under the Act towards payments already made is ₹ 2.35 million (PY ₹ 0.79 million). Interest accrued and remaining unpaid at the end of the accounting year is ₹ 11.31 million (PY ₹ 0.79 million). The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure u/s 23 of the MSMED Act, 2006 is ₹ 9.54 million (PY ₹ 3.48 million).

The above information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act 2006 and has been determined to the extent such parties had been identified on the basis of information available with the Company and relied upon by the auditors.

NOTE : 23
OTHER FINANCIAL LIABILITIES

	Current	
	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Current maturities of long-term debt	357.03	348.82
Interest accrued and due on borrowings	91.11	249.68
Deposits	86.36	168.71
	534.50	**767.21**

Company has transferred Nil (PY ₹ 0.21 million) to Investor Education & Protection Fund as at March 31, 2021.

NOTE : 24
OTHER CURRENT LIABILITIES

		Current	
		March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
(a)	**Other liabilities**		
	Contractee advances	3,182.15	5,018.69
	Other payables		
	Payable to employees	536.05	452.27
	Other liabilities	748.35	1,757.44
(b)	**Balance in current account**		
	(i) With subsidiaries, associates	0.81	1.14
	(ii) With joint ventures	394.00	417.58
		4,861.36	**7,647.12**

Notes to Standalone Financial Statements for the year ended March 31, 2021

NOTE : 25
REVENUE FROM OPERATIONS

		March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
(a)	**Revenue/turnover**	15,800.57	23,166.56
	Add: increase/(decrease) in work in progress	1,317.71	(711.14)
	Sale of goods	-	89.76
	Total turnover	**17,118.28**	**22,545.18**
(b)	**Other operating income**		
	Lease and service charges	0.54	1.14
	Share of profit from partnership firm	39.41	-
	Miscellaneous operating income	33.02	784.26
		17,191.25	**23,330.59**

Disaggregation of revenue on the basis of	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Primary geographical market wise		
Domestic	14,781.43	20,486.18
International	2,409.77	2,844.42
Major product/service lines wise		
EPC	17,190.50	23,323.30
Real Estate	0.70	7.30
Timing of revenue recognition wise		
At a point in time	73.66	882.46
Over period of time	17,117.58	22,448.12

NOTE : 26
OTHER INCOME

	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Gain on sale of assets (net)	4.79	14.99
Other non operating income	268.51	242.59
Interest income	944.93	2,242.96
Net gain on foreign currency translation	-	160.71
Excess credit written back	214.84	488.19
	1,433.07	**3,149.45**

Notes to Standalone Financial Statements for the year ended March 31, 2021

NOTE : 27
COST OF CONSTRUCTION

	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Stores, embedded goods and spare parts *		
Inventories at the beginning of the year	1,423.43	1,211.00
Add : purchase (net)	3,323.35	4,246.82
	4,746.78	**5,457.82**
Less : inventories at the end of the year	1,662.01	1,423.43
Consumption of stores and spares	**3,084.77**	**4,034.39**
Purchase of land / development rights	-	14.68
Piece rate expenses (net)	8,144.26	11,224.36
Repairs to machinery	43.53	37.81
Transportation, hire etc.	604.04	605.21
Power, electricity and water charges	420.22	646.79
Project development cost	0.02	137.21
Technical consultancy fees	176.31	753.55
Other construction costs	154.88	1,563.71
	12,628.03	**19,017.70**

* Stores, embedded goods and spares etc., consumed include materials issued to sub contractors.

NOTE : 28
EMPLOYEE BENEFITS EXPENSE

	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Salaries, wages and bonus	1,616.90	1,607.08
Contribution to provident and other funds (Refer note no 32)	172.28	122.56
Employee stock option (ESOP) (Refer note no 33)	1.08	4.09
Staff welfare expenses	85.78	84.90
	1,876.04	**1,818.63**

NOTE : 29
FINANCE COSTS

	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Interest expense [1]	3,002.54	2,785.56
Other borrowing costs	691.29	523.49
	3,693.83	**3,309.06**

1 Interest capitalised of Nil (PY ₹ 137.11 million) towards fixed assets and project development expenses.

Notes to Standalone Financial Statements for the year ended March 31, 2021

NOTE : 30
OTHER EXPENSES

	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Other administrative costs		
Rent	49.03	50.37
Repairs and maintenance - building	-	0.00
Insurance	112.10	83.97
Rates and taxes	92.79	243.57
Advertisement and selling expenses	0.73	1.84
Travelling and conveyance	19.56	47.57
Directors fees	1.40	1.75
Auditor's remuneration		
Audit fees	4.10	4.10
Limited Review	0.80	-
Certification	0.92	1.89
	5.82	**5.99**
Communication expenses	12.71	14.40
Printing and stationery	10.26	12.18
Legal and consultancy charges	244.31	332.05
Loss on sale of asset discarded	0.01	1.43
Irrecoverable debts written off / provided	199.34	118.66
Sewage water disposal	-	0.20
Net loss on foreign currency translation	59.34	-
Other expenses	191.31	242.62
	998.69	**1,156.60**

NOTE : 31
EXCEPTIONAL ITEMS :

	March 31, 2021 ₹ Million	March 31, 2020 ₹ Million
Reversal of receivables on account of assessment [a]	152.23	-
Provision for impairment on loan and advances [b]	429.11	234.48
Irrecoverable balance written off [c]	149.38	-
Provision for impairment on non-financials assets [d]	769.35	-
Gain on account of one time settlement [e]	(560.94)	(345.66)
	939.13	**(111.17)**

a) On account of closing of tax assessment, assets which is no more recoverable has been expenses out.

b) Provision made for impairment based on indication of diminution in value of advance to a firm/ subsidiaries.

c) Considering the irrecoverability of advances given to a subsidiary, the same has been considered to be written off.

d) Based on internal and external information company has assessed the recoverability of non-financials assets including land in stock and provide impairment if the carrying value of assets is more than recoverable amount.

e) During the year, company has entered the One Time Settlement (OTS) agreement with lenders for their outstanding debts and interests and resultant gain is accounted as exceptional items.

32 EMPLOYEE BENEFITS

I Brief description of the Plans

The Company provides long-term benefits in the nature of provident fund and gratuity to its employees. In case of funded schemes, the funds are recognized by the income tax authorities and administered through appropriate authorities/insurers. The Company's defined contribution plans are provident fund, employee state insurance and employees' pension scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) since the Company has no further obligation beyond making the contributions. The Company's defined benefit plans include gratuity benefit to its employees, which is funded through the Life Insurance Corporation of India. The employees of the Company are also entitled to leave encashment and compensated absences as per the Company's policy. The Provident fund scheme additionally requires the Company to guarantee payment of specified interest rates, any shortfall in the interest income over the interest obligation is recognised immediately in the statement of profit and loss as actuarial loss. Any loss/gain arising out of the investment with the plan is also recognised as expense or income in the period in which such loss/gain occurs.

II Disclosures for defined benefit plan based on actuarial reports as on March 31, 2020 and March 31, 2021:

(i) Expenses recognised in the statement of profit and loss :

₹ Million

	Gratuity (Funded)	Gratuity (Non - funded)
Current service cost	17.66	6.31
	(14.86)	(4.23)
Interest cost (net)	4.63	1.08
	(3.35)	(0.69)
Net actuarial (gain) / losses	57.54	0.10
	(10.61)	(2.23)
Total expenses recognized in the statement of profit and loss	**79.83**	**7.49**
	(28.82)	**(7.14)**

(ii) Reconciliation of the present value of defined benefit obligation and the fair value of assets (amount recognised in balance sheet):

	Gratuity (Funded)	Gratuity (Non - funded)
Present value of funded obligation as at the year end	(191.76)	(23.35)
	(-118.80)	(-15.86)
Fair value of plan assets as at the year end	44.43	-
	(51.30)	-
Funded liability recognized in the balance sheet	**(147.33)**	**(23.35)**
	(-67.50)	**(-15.86)**

Notes to Standalone Financial Statements for the year ended March 31, 2021

(iii) Changes in defined benefit obligation :

	Gratuity (Funded)	Gratuity (Non - funded)
Liability at the beginning of the year	118.80	15.86
	(92.88)	(8.85)
Interest cost	8.15	1.08
	(7.24)	(0.69)
Current service cost	17.66	6.31
	(14.86)	(4.23)
Benefit paid	(10.35)	-
	(-4.35)	(-0.14)
Actuarial (gains) / losses on obligations	57.50	0.10
	(8.18)	(2.23)
Liability at the end of the year	**191.76**	**23.35**
	(118.80)	**(15.86)**

(iv) Changes in the fair value of plan assets:

	Gratuity (Funded)	Gratuity (Non - funded)
Fair value of plan assets at the beginning of the year	51.30	-
	(49.85)	-
Expected return on plan assets	3.52	-
	(3.88)	-
Contributions by the employer	-	-
	(4.35)	-
Benefit paid	(10.35)	-
	(-4.35)	-
Actuarial gain on plan assets	(0.04)	-
	(-2.43)	-
Fair value of plan assets at the end of the year	44.43	-
	(51.30)	-
Total actuarial gain to be recognized	**57.54**	**-**
	(10.61)	**-**

(v) Actual return on plan assets

	Gratuity (Funded)	Gratuity (Non - funded)
Expected return on plan assets	3.52	-
	(3.88)	-
Actuarial gain on plan assets	(0.04)	-
	(-2.43)	-
Actuarial gain on plan assets	3.48	-
	(1.45)	-

(vi) The Company expects to contribute ₹ 55.04 million (PY ₹ 47.31 million) to gratuity funded plan in FY 2021-22.

(vii) Percentage of each category of plan assets to total fair value of plan assets:

	Gratuity (Funded)	Gratuity (Non - funded)
Insurer managed funds	100%	
	100%	

(viii) Sensitivity analysis for significant assumption is as below :

	Gratuity (Funded)	Gratuity (Non - funded)
Discount rate	6.80%	6.80%
	(6.86%)	(6.82%)
Rate of increase in compensation levels	5.00%	5.00%
	(5.00%)	(5.00%)
Expected rate of return on plan assets	6.80%	-
	(6.86%)	-
Attrition rate	4.00%	4.00%
	(2.00%)	(2.00%)
Average Age of retirement (years)	60	58
	(60)	(58)

(ix) Experience adjustments

	Gratuity (Funded)	Gratuity (Non - funded)
On plan obligation (gain)/loss	53.10	(0.60)
	(-0.47)	(0.30)
On plan asset (loss)/gain	(0.04)	-
	(2.43)	-

Notes to Standalone Financial Statements for the year ended March 31, 2021

(x) Maturity profile of defined benefit obligation

	Gratuity (Funded)	Gratuity (Non - funded)
1 years	35.55	1.00
	(20.31)	(0.32)
Between 2 to 5 years	52.02	5.17
	(25.93)	(2.07)
Beyond 5 years	254.78	52.69
	(201.88)	(47.98)
The weighted average duration of the defined benefit plan obligation at the end of the reporting period (years)	8	13
	(10)	(18)

(xi) Figure in brackets indicates amounts pertaining to previous year.

III Defined contribution plan -:

Amount recognised as an expense and included in the Note no. 28 as contribution to provident and other funds ₹ 172.28 million (PY ₹ 122.56 million)

33 SHARE BASED PAYMENTS (IND AS 102)

In term of the approval of Nomination and Remuneration Committee (NRC), the company on February 14, 2018 has granted 2,00,000 option under the company's existing ESOP plan. The aforesaid Grant is made under "Patel Engineering Employees Stock Option Plan" dated August 14, 2015 and in accordance with the provision of SEBI (Share Based Employee Benefits), Regulation 2014.

a) Employee stock option scheme

Particulars	ESOP scheme
Number of option granted	200000
Vesting plan	4 years (25% every year after 1 year from date of grant)
Exercise period	6 months from the date of vesting
Grant date	February 14, 2018
Exercise price (₹ per option)	₹ 1/-
Weighted average fair value on the date of grant option (in ₹ per shares)	₹ 79.86
Method of settlement	Equity

b) Movement of option granted

Particulars	As at March 31, 2021 Nos.	As at March 31, 2020 Nos.
Outstanding at the beginning of the year	150,000	200,000
Grant during the year	-	-
Exercised during the year	75,000	50,000
Cancelled during the year	-	-
Lapsed during the year	50,000	-
Outstanding at the end of the year	25,000	150,000
Exercisable at the end of the year	-	50,000
Weighted average life of options	1 year	2 years

c) **Fair valuation:**

The fair value on the grant date is determined using "Black Scholes Merton Model", which takes into account exercise price, term of the option, share price at grant date and expected price volatility of the underlying shares, expected dividend yield and risk free interest rate for the term of the option. No options were granted during the year. Weighted Average Fair value of the options granted previous year ₹ 79.86/-.

The Key assumptions in the Black Scholes Merton Model for calculating fair value as on the date of grant is below:

i)	Share price at grant date	₹ 80.70/-
ii)	Weighted average exercise price	₹ 1/-
iii)	Grant date	February 14, 2018
iv)	Vesting period	4 years (25% every year after 1 year from date of grant)
v)	Expected price volatility of Company's share	50%
vi)	Expected dividend yield	Nil
vii)	Weighted average Risk free interest rate	7.02%
viii)	Option life	Vesting period + exercise period

34 LEASE

Disclosure as per IND AS 116

Amount recognised under statement of profit and loss

Particulars	**2020-21 ₹ Million**	**2019-20 ₹ Million**
Depreciation	138.72	142.28
Interest on lease liability	49.98	64.06
Expenses related to Short term Leases	49.03	50.37
Total expenses	**237.73**	**256.71**

35 EARNING PER SHARE (EPS)

	2021 ₹ Million	**2020 ₹ Million**
Net profit as per the statement of profit and loss available for shareholders for both basic and diluted earnings per shares of ₹ 1/- Each	(1,383.98)	371.68
Weighted average number of equity shares for basic EPS (in No)	428,596,117	285,314,066
Add: weighted average potential equity shares		
- On issue of optionally convertible debentures*	390,527,787	469,132,208
- On issue of Zero Coupon optionally convertible Preference shares*	-	150,811
Weighted average number of equity shares for diluted EPS (in No)	819,123,904	754,597,085
Earning per share (Basic) ₹	(3.23)	1.30
Earning per share (Diluted) ₹	(3.23)	0.89

** The above current year potential ordinary shares are anti-dilutive and are therefore exclude from weighted average number of equity shares for the purpose of diluted earning per share.*

Notes to Standalone Financial Statements for the year ended March 31, 2021

36 RELATED PARTY DISCLOSURE

Related party disclosures, as required by Ind AS 24, 'Related Party Disclosures', are given below:

A. Name of related parties and nature of relationship :-

Direct subsidiaries

1. Patel Energy Resources Ltd.
2. Michigan Engineers Pvt. Ltd.
3. Shreeanant Construction Pvt. Ltd.
4. Energy Design Pvt. Ltd.
5. Patel Lands Ltd.
6. Patel Patron Pvt. Ltd.
7. Patel Engineers Pvt. Ltd.
8. Pandora Infra Pvt. Ltd.
9. Shashvat Land Projects Pvt. Ltd.
10. Patel Engineering Lanka Pvt. Ltd.
11. Vismaya Constructions Pvt. Ltd.
12. Bhooma Realties Pvt. Ltd.
13. Friends Nirman Pvt. Ltd.
14. Patel Concrete and Quarries Pvt. Ltd.
15. ASI Constructors Inc (Till March 25, 2020)
16. Patel Engineering Infrastructure Ltd.
17. Patel Engineering (Mauritius) Ltd.
18. Patel Engineering (Singapore) Pte. Ltd.
19. Patel Engineering Inc
20. Zeus Minerals Trading Pvt. Ltd.
21. Patel KNR Infrastructure Ltd.
22. Apollo Buildwell Pvt. Ltd.
23. Arsen Infra Pvt. Ltd.
24. Hera Realcon Pvt. Ltd.
25. Lucina Realtors Pvt. Ltd.
26. PBSR Developers Pvt. Ltd.
27. Waterfront Developers Ltd.
28. Hampus Infrastructure Pvt. Ltd.

Subsidiaries of Waterfront Developers Ltd.
Les Salines Development Ltd.

Subsidiaries of Les Salines Development Ltd.
La Bourgade Development Ltd.
Ville Magnifique Development Ltd.
Sur la Plage Development Ltd.

Subsidiaries of Patel Engineers Private Limited
Phedra Projects Pvt. Ltd.

Subsidiaries of Patel Energy Resources Limited

1. Patel Hydro Power Pvt. Ltd.
2. PEL Power Ltd.
3. Patel Energy Assignment Pvt. Ltd.
4. Patel Energy Projects Pvt. Ltd.
5. Patel Energy Operations Pvt. Ltd.
6. Patel Thermal Energy Pvt. Ltd.
7. PEL Port Pvt. Ltd.
8. Patel Energy Ltd.
9. Jayshe Gas Power Pvt. Ltd.
10. Naulo Nepal Hydro Electric Pvt. Ltd.

Subsidiaries of Patel Hydro Power Pvt. Ltd.

1. Dirang Energy Pvt. Ltd. (DEPL)
2. West Kameng Energy Pvt. Ltd.
3. Digin Hydro Power Pvt. Ltd.
4. Meyong Hydro Power Pvt. Ltd.
5. Saskang Rong Energy Pvt. Ltd.

Subsidiaries of Patel Engineering (Singapore) Pte Ltd.

1. Patel Surya (Singapore) Pte. Ltd.
2. PT PEL Minerals Resources
3. Patel Param Minerals Pte Ltd. (Struck off w.e.f December 7, 2020)
4. Patel Param Energy Pte Ltd. (Struck off w.e.f December 7, 2020)
5. Patel Param Natural Resources Pte Ltd. (Struck off w.e.f December 7, 2020)
6. PT Patel Surya Minerals (w.e.f December 7, 2020)
7. PT Patel Surya Jaya (w.e.f December 7, 2020)
8. PT Surpat Geo Minerals (w.e.f December 7, 2020)

Subsidiary of Patel Surya (Singapore) Pte. Ltd.

PT Surya Geo Minerals

Subsidiary of PT PEL Minerals Resources

PT Patel Engineering Indonesia

Subsidiary of Patel Param Minerals Pte Ltd.

PT Patel Surya Minerals (Till December 7, 2020)

Subsidiary of Patel Param Energy Pte Ltd.

PT Patel Surya Jaya (Till December 7, 2020)

Subsidiary of Patel Param Natural Resources Pte Ltd.

PT Surpat Geo Minerals (Till December 7, 2020)

Subsidiaries of Patel Engineering Inc

1. ASI Global LLC
2. ASI Constructors Inc (From March 25, 2020)

Subsidiary of Patel Engineering (Mauritius) Ltd.

Patel Mining (Mauritius) Ltd.

Subsidiaries of Patel Mining (Mauritius) Ltd.

1. Enrich Mining Vision Lda
2. Patel Mining Priviledge, Lda
3. Patel Infrastructure, Lda
4. Trend Mining Projects, Lda
5. Accord Mines Venture,Lda
6. Netcore Mining Operations,Lda
7. Metalline Mine Works,Lda
8. Patel Mining Assignments, Lda
9. Chivarro Mines Mozambique,Lda
10. Fortune Mines Concession,Lda
11. Omini Mines Enterprises,Lda
12. Quest Mining Activities, Lda

Direct Associates:

1. ACP Tollways Pvt. Ltd.
2. Raichur Sholapur Transmission Company Pvt. Ltd.
3. PAN Realtors Pvt. Ltd. (Till March 29, 2021)
4. Bellona Estate Developers Ltd. (BEDP)
5. Hitodi Infrastructure Pvt. Ltd. (Formally known as Hitodi Infrastructure Ltd)

Associate of Patel Engineering Infrastructure Ltd.

1. Patel KNR Heavy Infrastructure Ltd.

Associate of Lucina Realtor Private Limited

1. PAN Realtors Pvt. Ltd. (w.e.f. March 29, 2021)

Joint Ventures: Refer Note (42)

Partnership

1. AHCL PEL (Retired)
2. Patel Advance JV

Notes to Standalone Financial Statements for the year ended March 31, 2021

Others

1. Raahitya Constructions Pvt. Ltd. (Formally known as Patel Corporation LLP)
2. Praham India LLP

B. Key Management Personnel (KMP)

Mr. Rupen Patel	Chairman and Managing Director
Mr. Sunil Sapre	Whole Time Director
Mr. Chittaranjan Kumar Singh	Whole Time Director, Operations (Till June 30, 2020)
Ms. Kavita Shirvaikar	Whole Time Director and Chief Financial Officer
Ms. Shobha Shetty	Company Secretary

C. Transaction with related parties with subsidiaries, associate companies, joint operations, partnership and others referred to in item (A) above.

₹ Million

Particular	Subsidiary companies		Associates/ joint ventures / partnership/others	
	2020-21	2019-20	2020-21	2019-20
- Investment in equity / preference shares	-	688.15	-	-
- Miscellaneous receipts	-	4.90	5.16	4.21
- Loans/advances given	299.86	156.15	60.55	80.34
- Loans / advances recovered	125.08	774.22	58.65	133.68
- Corporate guarantee outstanding as at the end of the year	1,525.63	1,778.94	5,699.03	5,390.77
- Bank guarantee outstanding as at the end of the year	202.11	695.61	249.42	549.72
- Outstanding balance included in current/ non current assets	12,880.97	12,350.15	759.48	909.29
- Outstanding balance included in current / non current liabilities	65.16	907.81	1,047.35	476.11
- Reimbursement of expenses from	-	3.99	13.41	12.97
- Rent paid	3.68	3.68	-	-
- Interest income	395.05	1,326.46	6.87	6.36
- Sundry balances written off	150.74	14.75	3.00	26.63
- Sundry balance written back	-	-	0.88	-
- Refund of Mobilisation advance	842.15	579.32	-	-
- Sale of Investment	4.35	-	-	-
- Interest Expenses	-	-	65.60	-
- Provision for impairment of investment	301.21	0.99	-	-
- Provision for impairment of loans and advances	127.91	134.29	-	-
- Sale of asset	-	-	0.89	-
- Repayment of loan	30.00	20.00	-	1,500.00
- Preferential allotment of shares	-	-	-	539.97
- Conversion of OCPS into shares			166.69	373.27
- Repayment of Machinery advances	-	347.48	-	-

Notes to Standalone Financial Statements for the year ended March 31, 2021

D. Disclosures of material transactions with related parties with subsidiaries, associate companies, joint operations, partnership and others referred to in item (A) above.

₹ Million

Particular	Name of the Company	2020-21	2019-20
- Investment in equity / preference shares	Patel Energy Resources Ltd.	0.00	688.15
- Miscellaneous receipts	PEL Power Ltd.	0.00	4.49
	Patel-Michigan JV	2.35	4.13
	Patel SEW JV	0.81	-
	NEC PEL JV	2.00	-
- Loans/advances given	Energy Design Pvt. Ltd.		
	Patel SEW JV	59.64	80.32
	Hitodi Infrastructure Pvt. Ltd.	-	-
	Raichur Solapur Transmission Co. Pvt. Ltd.	0.00	0.01
	Patel Energy Ltd.	-	23.10
	PBSR Developers Pvt. Ltd.	264.91	78.34
	Bellona Estate Developers Ltd.	-	26.63
- Loan/ advances recovered	Patel Energy Resources Ltd.	0.00	688.15
	PBSR Developers Pvt. Ltd.	113.87	-
	Hitodi Infrastructure Pvt. Ltd.	-	-
	Raichur Solapur Transmission Co. Pvt. Ltd.	-	-
	Patel SEW JV	32.94	121.70
	Patel Michigan JV	14.89	-
- Reimbursement of expenses from	PEL Power Ltd.	-	3.18
	Patel Michigan JV	2.24	3.43
	CICO PATEL JV	-	0.00
	Dirang Energy Pvt. Ltd.	-	0.62
	Hitodi Infrastructure Pvt. Ltd.	9.39	8.86
	Patel SEW JV	1.08	
- Rent paid	PEL Power Ltd.	3.68	3.68
- Interest income	Patel Energy Resources Ltd.	-	641.51
	Shashvat Land Projects Pvt. Ltd.	54.56	-
	Pandora Infra Pvt. Ltd.	76.37	-
	Patel Engineering Infrastructure Ltd.	85.60	-
	Waterfront Developers Ltd.	71.95	-
	CICO Patel JV	-	-
	Patel Michigan JV	1.18	1.84
	Raichur Solapur Transmission Co. Pvt. Ltd.	4.96	4.35
	NEC PEL JV	0.26	-
	Patel SEW JV	0.47	-
	PEL Power Ltd.	-	133.61

Notes to Standalone Financial Statements for the year ended March 31, 2021

₹ Million

Particular	Name of the Company	2020-21	2019-20
- Sundry balances written off	Bellona Estate Developers Ltd.	2.28	26.63
	Dirang Energy Pvt. Ltd.	1.36	14.75
	PBSR Developers Pvt. Ltd.	149.38	-
	Patel SA JV	0.20	-
	Era Patel Advance Kiran JV	0.52	-
- Sundry balance Written back	Era Patel Advance JV	0.88	-
- Refund of mobilisation advance	Dirang Energy Pvt. Ltd.	842.15	579.32
- Sale of investment	Lucina Realtors Private Limited	4.35	-
- Interest expenses	Hitodi Infrastructure Pvt. Ltd.	65.60	-
- Provision for impairment of investment	Apollo Buildwell Pvt. Ltd.	-	0.50
	Hera Realcon Pvt. Ltd.	-	0.49
	Patel Engineering Inc	285.96	
- Provision for impairment of loans and advances	Apollo Buildwell Pvt. Ltd	0.04	15.96
	Energy Design Pvt. Ltd	0.01	70.04
	Shreeanant Construction Pvt. Ltd.	0.10	47.06
	Bhooma Realities Pvt. Ltd.	110.78	-
	Patel Engineering Lanka Pvt. Ltd.	16.92	-
- Sale of assets	Patel Sew JV	0.89	-
- Repayment of loan	Michigan Engineers Pvt. Ltd.	30.00	20.00
	Raahitya Constructions Pvt. Ltd.	-	1,500.00
- Preferential allotment of OCPS	Praham India LLP	-	539.97
- Conversion of OCPS into shares	Praham India LLP	166.69	373.27
- Repayment of Machinery advances	Dirang Energy Pvt. Ltd.	-	347.48

E. Details of transactions relating to persons referred in item (B) above.

₹ Million

Particular	2020-21	2019-20
Managerial remuneration	64.48	73.99
Salary and contribution to provident fund	3.54	4.16
Loan repaid	-	300.00
ESOP	1.08	4.09
Outstanding balance payable	35.24	28.06
Outstanding balance receivable	4.05	4.05

Notes to Standalone Financial Statements for the year ended March 31, 2021

37 SEGMENT REPORTING

Based on the "management approach" as defined in Ind AS 108 – Operating Segments, the Chairman and Managing Director / Chief Financial Officer evaluates the Company's performance and allocate resources based on an analysis of various performance indicators by business segment. Accordingly information has been presented along these segments. The accounting principles used in the preparation of the financial statement are consistently applied in individual segment to prepare segment reporting.

Primary segment :

₹ Million

Particulars	As at March 31, 2021		
	Business segments		
	EPC	Real estate	Total
Segment revenue	17,190.50	0.70	17,191.20
Segment results	(1,409.93)	198.60	(1,211.33)
Segment assets	68,006.62	6,707.48	74,714.10
Segment liabilities	48,716.93	1,073.70	49,790.63
Addition to fixed assets	1,299.51	-	1,299.51
Segment depreciation	638.98	0.08	639.06

₹ Million

Particulars	As at March 31, 2020		
	Business segments		
	EPC	Real estate	Total
Segment revenue	23,323.30	7.30	23,330.60
Segment results	526.37	85.60	611.97
Segment assets	72,151.00	4,600.20	76,751.20
Segment liabilities	49,924.18	1,126.20	51,050.38
Addition to fixed assets	916.98	-	916.98
Segment depreciation	585.60	0.67	586.27

Geographical segment :

₹ Million

Particulars	As at March 31, 2021		
	Within India	Outside India	Total
Revenue	14,781.43	2,409.77	17,191.20
Non current assets	30,777.62	2,163.46	32,941.08

₹ Million

Particulars	As at March 31, 2020		
	Within India	Outside India	Total
Revenue	20,486.18	2,844.42	23,330.60
Non current assets	33,523.49	1,536.91	33,138.91

The following table gives details in respect of contract revenues generated from the top customer and top 5 customers for the year ended:

₹ Million

Particulars	As at March 31, 2021	As at March 31, 2020
Revenue from top customer	3,716.25	4,356.42
Revenue from top five customers	8,957.21	11,645.10

Notes to Standalone Financial Statements for the year ended March 31, 2021

38 Consequent to nationwide lockdown declared by the Government to contain spread of COVID - 19, normal business operations of the Company was affected by way of interruption in project execution, supply chain disruption etc and has been adversely impacted the financial results of the company. The Company gradually resumed operation with limited availability of workforce and other resources. The progress of the Company and availability of resources further recovered in the last quarter of the Financial year. The results for the financial year are therefore not comparable with those for the corresponding periods of the previous year. The company has assessed the impact of pandemic on its financials based on the external and internal informations available upto the date of approval of the financial result and expects to recover the carrying value of its assets. The Company has taken necessary measures to control the costs and also to maintain the liquidity to ensure progress in the projects. The Company is continuously monitoring the situation and taking necessary steps to improve its efficiencies in execution and the financial outcome.

39 CORPORATE SOCIAL RESPONSIBILITY EXPENSES

A) In terms of Provisions of Section 135 of the Companies Act 2013 and Rules made thereunder, the company is required to spend an amount of ₹ 21.01 million (PY ₹ 37.07 million) during the financial year on corporate social responsibility (CSR). The company incurred an amount of ₹ 98.86 million (PY ₹ 32.70 million) towards CSR expenditure and unspent / (excess) CSR amount as on March 31, 2021 is ₹ (5.51) million (PY ₹ 72.34 million).

B) Break up of amount spent during the year

	Particulars	In cash	Yet to be paid in cash	Total
	As on March 31, 2021			
i)	Construction/Acquisition of any assets	-	-	-
ii)	Purposes other than (i) above	98.86	-	98.86
	Total	**98.86**	**-**	**98.86**
	As on March 31, 2020			
i)	Construction/Acquisition of any assets	-	-	-
ii)	Purposes other than (i) above	32.70	-	32.70
	Total	**32.70**	**-**	**32.70**

C) During the year, company does not incurred any expenditure on account of Corporate Social Responsibility with related parties.

D) Provision movement during the year

Particulars	As at March 31, 2021	As at March 31, 2020
Opening provision	-	-
Addition during the year	98.86	32.70
Utilised during the year	98.86	32.70
Closing provision	-	-

E) Unspent / (Excess) Amount

Particulars	As at March 31, 2021	As at March 31, 2020
Opening unspent / (excess) balance	72.34	67.97
Amount deposited in Specified Fund of Sch. VII within 6 months	-	-
Amount required to be spent during the year	21.01	37.07
Amount Spent during the year	98.86	32.70
Closing unspent / (excess) balance	(5.51)	72.34

Notes to Standalone Financial Statements for the year ended March 31, 2021

40 The Company is engaged in providing infrastructural facilities and hence, as per Section 186(11) of Companies Act, 2013, nothing in Section 186 shall apply to the Company except sub-section (1) of the said section. Accordingly, a separate disclosure has not been given in the financial statements as required under Section 186(4) with regard to particulars of loan given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security.

41 Confirmation letters have been sent in respect of sundry debtors / loans and advances / sundry creditors of which certain confirmations have been received which are accordingly accounted and reconciled. The remaining balances have been shown as per books of accounts and are subject to reconciliation adjustments, if any. In the opinion of the Management, the realizable value of the current assets, loans and advances in the ordinary course of business will not be less than the value at which they are stated in the balance sheet.

42 **Contracts executed by the following joint ventures / consortiums are accounted for as per the accounting policy no. (k). The principal place of business of all these joint operations is in India and they are engaged in construction business.**

Name of the joint venture / consortium	Name of the JV / consortium member	Patel's share
Joint operations :		
CICO-Patel JV	Chongqing International Construction Corporation	99.90%
Patel Sew JV	Sew Infrastructure Ltd.	60%
KNR – PATEL JV	KNR Constructions Ltd.	49%
PATEL –KNR JV	KNR Constructions Ltd.	50%
Patel – V Arks - Precision	V Arks Engineers Pvt.Ltd.	60%
PATEL – SOMA JV	Soma Enterprises Ltd.	50%
Patel – V Arks JV	V Arks Engineers Pvt.Ltd.	65%
Patel – Avantika – Deepika – BHEL	Avantika Contractors India Pvt.Ltd.	52.83%
AGE Patel JV	AGE Insaat VE Ticaret A.S.	49%
PATEL – MICHIGAN JV	Michigan Engineers Pvt. Ltd.	10%
PEL-UEIPL JV	M/s Ujjain Engicon India Pvt. Ltd	60%
PEL-PPCPL-HCPL JV	Power Patkar Construction Pvt. Ltd. & Harsh Construction Pvt. Ltd.	51%
Patel VI JV	Vikram Infrastructure	51%
Onycon Enterprises	Onycon Infra LLP	60%
PEL-Gond JV	Mantena Constructions Pvt. Ltd.	45%
HES Shuthaliya JV	HES Infra Pvt. Ltd.	45%
PEL-Parbati JV	HES Infra Pvt. Ltd.	52%
NEC-PEL- JV	Navyuga Engineering Company Ltd.	45%
PEL - Ghodke	M/s. R. B. Ghodke	51%
PEL-ISC-PRATHMESH JV	ISC Projects Pvt. Ltd., Prathmesh Construction	50%
ISC Projects-PEL JV	ISC Projects Pvt. Ltd.	49%
M/s Luhri Hydro Power Consortium	HES Infra Pvt. Ltd.	60%
PATEL-SA JV	Sandeep Associates	75%
Era Patel Advance Kiran JV	Era Infra Engineering Ltd, Advance Construction Company Pvt. Ltd., Kiran Udhyog	47.06%
Patel APCO JV	APCO Infratech Ltd.	50%
Era Patel Advance JV	Era Infra Engineering Ltd, Advance Construction Company Pvt. Ltd.,	30%
Patel – Siddhivinayak JV	Siddhivinayak Constructions	51%

Notes to Standalone Financial Statements for the year ended March 31, 2021

43 a) Unbilled work in progress includes stock of land under development (including held in the name of the directors/relatives of directors/employees, as nominees of the company).

b) Arbitration awards received in favour of the Company amounting to Nil (PY ₹ 359.86 million) is accounted for as construction Receipts.

44 Derivative transactions :

Foreign currency exposure that are not hedged by derivative instruments as on March 31, 2021 amounting to ₹ 59.79 million (PY ₹ 990.63 million).

Foreign currency exposure outstanding at ₹ Million

Particulars	March 31, 2021		March 31, 2020	
	Amount in foreign currency	Amount in functional currency	Amount in foreign currency	Amount in functional currency
Assets				
Trade receivable				
EURO	29.09	0.34	33.41	0.41
NPR	113.29	181.27	112.06	179.29
USD	41.88	0.57	42.32	0.57
Security deposit				
EURO	2.94	0.03	2.82	0.03
JPY	23.98	36.22	25.06	36.22
NPR	73.87	118.19	27.56	44.10
USD	0.11	0.00	-	-
Inventories				
NPR	948.21	1,517.13	609.12	974.59
Interest accrued				
EURO	0.56	0.01	0.56	0.01
NPR	0.97	1.55	0.32	0.52
Cash and bank balance				
LKR	0.02	0.04	0.01	0.04
MUR	0.01	0.00	0.01	0.00
NPR	23.23	37.16	100.41	160.66
USD	-	-	0.31	0.00
Advance to contractor / suppliers				
NPR	301.33	482.12	1,578.65	2,525.84
Loan and interest thereon to group companies				
LKR	-	-	16.38	41.39
MUR	71.50	39.57	70.95	37.21
NPR	3.51	5.61	3.51	5.61
USD	1,457.68	19.89	1,402.64	30.56
Fixed assets				
NPR	679.22	1,086.75	433.41	693.45
Other advance				
MUR	5.15	2.85	5.44	2.85
NPR	122.52	196.03	127.55	204.08

Foreign currency exposure outstanding at ₹ Million

Particulars	March 31, 2021		March 31, 2020	
	Amount in foreign currency	Amount in functional currency	Amount in foreign currency	Amount in functional currency
Liability				
Security deposit				
NPR	(20.08)	(32.13)	(20.08)	(32.13)
Advance from contractor				
EURO	(426.83)	(5.33)	(426.83)	(5.33)
NPR	(1,862.02)	(2,979.24)	(2,250.88)	(3,601.41)
USD	(4.55)	(0.07)	(4.55)	(0.07)
Trade payable				
EURO	(120.64)	(1.44)	(135.13)	(1.66)
NPR	(1,015.66)	(1,625.05)	(667.28)	(1,067.65)
SGD	-	-	(8.20)	(0.16)
USD	(244.90)	(3.34)	(9.69)	(0.13)
Other liability				
NPR	(142.22)	(227.55)	(76.75)	(122.79)
USD	(2.35)	(0.03)	(2.47)	(0.03)

45 The Company's pending litigations comprise of claims by or against the Company primarily by the customers / contractors/ suppliers, etc. and proceedings pending with tax and other government authorities. The Company has reviewed its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in it's financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results. In respect of litigations, where the management assessment of a financial outflow is probable, the Company has made adequate provision of ₹ 29.38 million (PY ₹ 29.99 million) and appropriate disclosure for contingent liabilities is given.

46 The Company has granted loans and advances amounting to ₹ 1224.70 million (PY ₹ 1178.86 million) till March 31, 2021 to Waterfront Developers Ltd (WDL) a 100% subsidiary of the company. WDL in turn has invested in Le Salines Development Ltd (LSDL) a step down subsidiary. LSDL had signed an lease agreement with Ministry of Housing and Land Development (MOHL) Government of Mauritius (GOM) on December 11, 2009 for development of a Real Estate Development Project called NEOTOWN in Mauritius in the year 2009-10. Subsequently all of a sudden on February 11, 2015 GOM had verbally informed about the termination of lease agreement between LSDL and MOHL without assigning any reason. Formal communication was received by LSDL on June 04, 2015 about the termination of lease from the GOM. Management was of the view that as per the agreement lease cannot be terminated on the grounds of clause mentioned in the termination letter. In this regard a notice had been sent to MOHL Government of Mauritius on July 01, 2016 by LSDL contesting wrongful termination. The company did not receive any reply to this letter. The Parent company ie. Patel Engineering Ltd had invoked an arbitration under Promotion and Protection of Investment Treaty signed between India and Mauritius against GOM and the company is confident of getting compensation from GOM.

Notes to Standalone Financial Statements for the year ended March 31, 2021

47 Contingent Liabilities

(a) Commitment for capital expenditure is ₹ 715.14 million (PY ₹ 138.79 million), advance paid ₹ 111.25 million (PY ₹ 35.23 million). The company is under commitment to construct specific area for land owner related to a project.

(b) Counter indemnities given to banks and others in respect of secured guarantees, etc. on behalf of subsidiaries and others given by them in respect of contractual commitments in the ordinary course of business is ₹ 19,154.26 million (PY ₹ 14,173.91 million) (including Customs ₹ 42.88 million (PY ₹ 42.88 million). Corporate guarantees / Letter of Credit on behalf of subsidiaries and others is ₹ 7224.66 million (PY ₹ 7169.70 million). Net off share of JV Partner & provisions already considered in books.

(c) Client has claimed an amount of ₹ 210.8 million (PY ₹ 210.8 million) from us which is pending at the Hon'ble appeal court. However the management feels that the likelihood of outflow of resources is remote.

(d) Service tax and GST liability that may arise on matters in appeal ₹ 1,339.85 million (PY ₹ 1,348.14 million) and advance paid Nil (PY Nil). Out of the above, ₹ 760.19 million (PY ₹ 760.19 million) is contractually recoverable from the Clients.

(e) Sales tax ₹ 74.93 million (PY ₹ 61.43 million) (Advance paid ₹ 1.54 million (PY ₹ 1.54 million)), Cess ₹ 122.64 million (PY ₹ 121.69 million), Custom Duty ₹ 17.62 million (PY ₹ 17.62 million) (Advance paid ₹ 8.46 million (PY ₹ 8.46 million)).

(f) Income tax liability that may arise on matters in appeal ₹ 2,109.19 million (PY ₹ 2,110.89 million).

(g) Provident fund liability that may arise on matter in appeal ₹ 14.35 million (PY ₹ 14.35 million) and advance Paid ₹ 14.35 million (PY ₹ 14.35 million)

(h) The Company is subject to legal proceeding and claims, which have arisen in the ordinary course of business, including certain litigation for land acquired by it for construction purpose, the impact of which is not quantifiable. These case are pending with various courts and are scheduled for hearings. After considering the circumstances, management believes that these case will not adversely effect its financial statement.

(i) A part of the immovable property belonging to the company shown under inventories has been offered as security in favour of a bank against credit facilities availed by a strategic Partner.

(j) The Company has provided a "cost overrun undertaking" for its associates BEDL and DEPL to its lenders.

(k) Entry Tax liabilities on purchase of goods of Nil (PY ₹ 7.45 million), against which amount of Nil (PY ₹ 0.50 million) and bank guarantee for balance amount have been paid.

(l) On Settlement with the vendor, company has given flats of ₹ 50.00 million (PY ₹ 50.00 million) against his outstanding due & also given an assurance that if re-sell price of that flat is lower than settlement price then company will compensate that difference.

(m) Trade receivables to the extent of ₹ 29.99 million (PY ₹ 181.10 million) have been discounted with bank on recourse basis.

Notes to Standalone Financial Statements for the year ended March 31, 2021

48 Information pertaining to loans given to subsidiaries (information pursuant to regulation 34(3) of SEBI (Listing Obligation And Disclosure Requirements) Regulations, 2015:

Loans and advances in the nature of loans given to subsidiaries and associates:

₹ Million

	Name of subsidiaries / associates	As at March 31, 2021	As at March 31, 2020	Maximum amount outstanding (2020 – 21)	Maximum amount outstanding (2019 – 20)
Subsidiaries					
1	Michigan Engineers Pvt. Ltd.	71.77	51.19	71.77	55.29
2	Patel Patron Pvt. Ltd.	89.86	78.66	89.86	78.66
3	PEL Power Ltd.	1,071.19	1,067.03	1,073.12	1,067.34
4	Patel Land Developers Ltd.	-	-	-	-
5	Patel Energy Ltd.	775.70	774.93	775.70	774.93
6	Patel Engineering (Mauritius) Ltd.	360.82	38.24	360.82	38.24
7	Patel Engineering Infrastructure Ltd.	698.70	613.03	698.70	613.03
8	Phedra Projects Pvt. Ltd.	17.88	15.64	17.88	15.64
9	Vismaya Constructions Pvt. Ltd.	64.80	53.05	64.80	53.05
10	Shashvat Land Projects Pvt. Ltd.	434.42	379.64	434.42	379.64
11	Bhooma Realties Pvt. Ltd.	447.19	446.66	494.31	446.68
12	Pandora Infra Pvt. Ltd.	622.40	545.39	622.40	545.41
13	Patel Eng. (Singapore) Pte. Ltd.	854.11	871.75	877.32	871.75
14	Dirang Energy Pvt. Ltd.	-	-	0.83	12.90
15	Patel Mining Divn. Lda,	-	18.85	-	18.85
16	Patel Energy Resources Ltd.	4,883.99	4,882.90	5,053.48	5,272.77
17	Patel Mining (Mauritius) Ltd.	-	288.46	-	288.46
18	Energy Design Pvt. Ltd.	71.60	74.09	74.10	84.45
19	PT Patel Surya Minerals	11.29	11.53	11.60	11.53
20	Patel Lands Ltd.	62.02	54.38	62.02	54.38
21	Patel Hydro Power Pvt. Ltd.	27.33	27.02	27.33	27.02
22	Patel Engineering (Lanka) Pvt. Ltd.	15.24	16.38	17.37	16.38
23	Patel Engineers Pvt. Ltd.	3.96	3.43	3.96	3.45
24	Patel Concrete and Quaries Pvt. Ltd.	192.44	165.54	192.44	165.54
25	Zeus Minerals Trading Pvt. Ltd.	187.00	164.00	187.00	164.00
26	Naulo Nepal Hydroelectric Pvt. Ltd.	3.51	3.51	3.51	3.95
27	Shreeanant Constructions Pvt. Ltd.	86.03	85.98	86.03	100.10
28	Apollo Buildwell Pvt. Ltd.	176.77	15.96	176.77	15.96
29	Arsen Infra Pvt. Ltd.	11.61	11.64	11.67	11.64
30	Hera Realcon Pvt. Ltd.	1.29	1.23	1.29	1.23
31	Lucina Realtors Pvt. Ltd.	-	-	0.01	-
32	PBSR Developers Pvt. Ltd.	412.79	411.13	629.01	411.13
33	Waterfront Developers Ltd.	1,224.70	1,178.86	1,224.70	1,178.86
34	PATEL-KNR Infrastructure Ltd.	0.25	0.25	8.62	0.25
35	Hampus Infrastructure Pvt. Ltd.	0.21	0.07	0.21	0.07
36	Friends Nirman Pvt. Ltd.	0.07	-	2.28	-
Associates					
36	Raichur Solapur Transmission Co. Pvt. Ltd.	40.43	35.46	40.43	35.46
37	PATEL-KNR Heavy Infrastructure Ltd.	25.01	-	103.50	-
38	Bellona Estate Developers Ltd.	-	-	1.62	20.09
Total		**12,946.39**	**12,385.85**	**13,500.89**	**12,838.12**

Notes to Standalone Financial Statements for the year ended March 31, 2021

49 Category-wise classification of financials instruments

₹ Million

	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Financial assets measured at FVTPL				
Investment	5.52	0.52	-	-
Financial assets measured at amortised cost				
Investments	6,534.39	6,691.65	-	150.00
Trade receivables	3,060.04	4,733.63	3,358.89	3,110.62
Loans	10,733.06	10,161.40	1,926.68	1,700.82
Deferred finance cost	60.85	75.82	-	-
Other assets	1,229.29	475.86	116.67	116.67
Cash and cash equivalents	-	-	1,139.26	1,066.34
Other bank balances	-	-	-	-

₹ Million

	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Financial liabilities measured at amortised cost				
Borrowings	5,612.69	6,279.64	13,478.40	12,409.07
Trade payables	4,779.24	3,302.45	11,225.50	13,046.03
Other financial liabilities	1,283.80	844.96	534.50	767.21

50 Fair value hierarchy

i) The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities :

As at March 31, 2021 ₹ Million

Financial asset measured at FVTPL	Fair value as at March 31, 2021	Fair value hierarchy		
		Quoted prices in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
Investments	5.52	5.52	-	-

As at March 31, 2020 ₹ Million

Financial asset measured at FVTPL	Fair value as at March 31, 2020	Fair value hierarchy		
		Quoted prices in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
Investments	0.52	0.52	-	-

ii) **Financial instrument measured at amortised cost**

The carrying amount of financial assets and liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

51 Financial risk management

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Company is exposed to market risk, credit risk and liquidity risk. The board of directors ('Board') oversee the management of these financial risks through its risk management committee. The risk management policy of the Company formulated by the risk management committee, states the Company's approach to address uncertainties in its endeavour to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of the Company's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate financial risks in order to minimize potential adverse effects on the Company's financial performance.

The following disclosures summarize the Company's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks. Quantitative sensitivity analysis have been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows and financial position of the Company.

1) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's total debt obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With other variables held constant, the Company's profit before tax is affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows :

₹ Million

Change in interest rate	Effect on profit before tax		Effect on total equity	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
+50 basis point	(120.10)	(111.42)	(120.10)	(111.42)
-50 basis point	120.10	111.42	120.10	111.42

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company does not enter into any derivative instruments for trading or speculative purposes.

Notes to Standalone Financial Statements for the year ended March 31, 2021

The carrying amounts of the Company's foreign currency denominated monetary items are as follows:

₹ Million

Currency	Liabilities		Assets	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
EURO	575.85	561.96	60.97	36.78
JPY	-	-	23.98	25.06
LKR	-	-	0.02	16.40
MUR	-	-	76.65	76.39
NPR	3,155.20	3,081.12	2,381.35	3,058.71
USD	251.80	16.71	1,499.67	1,445.26
SGD	-	8.20	-	-

The above table represents total exposure of the Company towards foreign exchange denominated liabilities (net). The details of unhedged exposures are given as part of Note no. 44.

Sensitivity analysis

The Company is mainly exposed to changes in USD & EURO, as NPR is to be repaid at fixed rate; hence the Company is not exposed to any exchange rate fluctuation. The below table demonstrates the sensitivity to a 5% increase or decrease in the USD & EURO against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

₹ Million

Change in EURO rate	Effect on profit before tax		Effect on total equity	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
+5%	(25.74)	(26.26)	(25.74)	(26.26)
-5%	25.74	26.26	25.74	26.26

₹ Million

Change in USD rate	Effect on profit before tax		Effect on total equity	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
+5%	105.66	115.59	105.66	115.59
-5%	(105.66)	(115.59)	(105.66)	(115.59)

c) **Equity price risk**

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

Price sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in price of investment measured at FVTPL with other variables held constant. The Company's profit before tax is affected through the impact on change in price of investment as follows:

₹ Million

Change in price of investment measured at FVTPL	Effect on profit before tax		Effect on total equity	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
+5%	0.28	0.03	0.28	0.03
-5%	(0.28)	(0.03)	(0.28)	(0.03)

2) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure of the financial assets are contributed by trade receivables, unbilled work-in-progress, cash and cash equivalents and receivable from group companies.

Credit risk on trade receivables and unbilled work-in-progress is limited as the customers of the Company mainly consists of the government promoted entities having a strong credit worthiness. Whenever required, the Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled work-in-progress. The provision matrix takes into account available external and internal credit risk factors such as credit ratings from credit rating agencies, third party report, financial condition, ageing of accounts receivable and the Company's historical experience for customers.

3) Liquidity risk

Liquidity is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides details regarding the contractual maturities of significant financial liabilities:

₹ Million

Particulars	Less than 1 year	1 - 5 years	More than 5 years	Total
At March 31, 2021				
Borrowings	13,835.43	1,627.88	3,984.80	19,448.11
Lease liability	37.35	-		37.35
Trade payables	11,225.50	4,779.24	-	16,004.74
Other financial liability	177.47	1,283.80	-	1,461.27
At March 31, 2020				
Borrowings	12,757.88	1,867.27	4,412.37	19,037.52
Lease liability	183.23			183.23
Trade payables	13,046.03	3,302.45	-	16,348.48
Other financial liability	1,261.58	1.77	-	1,263.35

Notes to Standalone Financial Statements for the year ended March 31, 2021

52 Capital management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

As at March 31, 2021, the Company has only one class of equity shares and has moderate debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans. Consistent with others in the industry, the Company monitors its capital using the gearing ratio which is total debt divided by total capital.

₹ Million

Particulars	As at March 31, 2021	As at March 31, 2020
Total debt	19,448.11	19,037.52
Total equity	24,923.49	25,700.83
Total debt to total equity ratio (gearing ratio)	0.78	0.74

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements.

53 Due to lack of active programme for sale of assets which was earlier classified as held for sale, company have cease the classification of assets held for sale and restore the assets as continuing operation.

54 During the year company has made a political contribution of ₹ 30 Million to political parties.

55 The Code on Social Security, 2020 (" the Code") has been approved by the Indian Parliament. The effective date of the Code and related rules are yet to be notified. The impact of the changes, if any, will be assessed and recognised post notification of the relevant provisions.

56 During the year, the board of the company approved the scheme of merger of the below 14 subsidiaries with the company i.e. Patel Engineering Limited with an appointment date on April 1, 2021 and application for the same has been filed to National Company Law Tribunal before the approval of the financial statement.

a) Patel Energy Resources Limited
b) PEL Power Limited
c) PEL Port Private Limited
d) Patel Energy Projects Private Limited
e) Patel Energy Assignment Private Limited
f) Patel Energy Operation Private Limited
g) Jayshe Gas Power Private Limited
h) Patel Thermal Energy Private Limited
i) Patel Hydro Power Private Limited
j) Zeus Minerals Trading Private Limited
k) Patel Concrete and Quarries Private Limited
l) Patel Land Limited
m) Patel Engineers Private Limited
n) Phedra Projects Private Limited

57 Previous year's figures have been regrouped, rearranged and reclassified wherever necessary.

As per our report of even date

For **T.P. Ostwal & Associates LLP**
Firm Regn No:124444W/W100150
Chartered Accountants

Anil A. Mehta
Partner
Membership No. 030529

Place : Mumbai
Date : June 11, 2021

For and on behalf of Board

Rupen Patel
Chairman &
Managing Director
DIN : 00029583

Kavita Shirvaikar
Chief Financial Officer &
Director
DIN : 07737376

Sunil Sapre
Director
DIN : 05356483

Shobha Shetty
Company Secretary
Mem. No.: F10047

Notes

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