



PATEL ENGINEERING LTD.

CIN: L99999MH1949PLC007039

August 02, 2022

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

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

Scrip Code No. 531120

Company Code No. PATELENG/EQ

Dear Sir(s),

Sub – Submission of Annual Report for F.Y. 2021-2022

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 2021-2022.

You are requested to take the same on record.

Thanking you.

For Patel Engineering Ltd.

Shobha Shetty
Company Secretary
Membership No. F10047

Encl: as above

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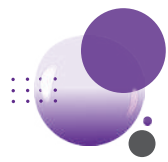
DETERMINED TO DELIVER

CONTENT

Company Overview	02
Business Segments	12
Board of Directors	36
Chairman's Message	38
Corporate Information	40
Management Discussion and Analysis	41
Board's Report	51
Report on Corporate Governance	82
Business Responsibility and Sustainability Report	98
Consolidated Financial Statements	148
Standalone Financial Statements	217

FORWARD-LOOKING STATEMENT

In this Annual Report, we might have disclosed forward-looking statements that set out anticipated results based on the management's plans and assumptions. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties, and inaccurate assumptions. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



COMPANY OVERVIEW

We have a breadth of experience encompassing all sectors of the Infrastructure industry from dams, tunnels, micro-tunnels, hydroelectric projects, irrigation projects, highways, roads, bridges, railways, refineries to real estates and townships.

We have been providing our clients with reliable solutions to their most complex construction challenges. Today, we are recognized as a leader in the industry for our strength in traditional construction methods and for our creative, fresh approach to cutting-edge technologies and delivery systems. The Company has executed projects in 12 countries across 4 continents. We specialize in hydro-electric projects, transportation projects, water treatment projects as well as real estate.

We support our clients from project inception, to the commissioning of the fully operational facility and our network of local offices enables us to offer our clients the dual advantage of a strong local presence and broad geographic reach. We find solutions to the challenges of our time and create the infrastructure for modern societies. While we work for governments and commercial customers, our projects have helped grow local economies and improve the quality of life for communities and people around the world.

Each project is managed by our team of highly experienced personnel, incorporating the services of various professionals in the geographical surveying and other related fields with whom we have established an excellent working relationship. Our sub contractors have now worked with us for a good number of years and have proved their reliability and dedication to quality workmanship. Over the years, the Company has grown from strength to strength, having successfully completed over 250 projects.



MISSION

To be the pioneers in the industry and a market-driven organization known for its commitment towards excellence, quality, performance and reliability.



VISION

Deliver comprehensive and effective solutions to clients through our profound experience and technological prowess, while continuously creating opportunities and possibilities for employees, stake-holders and society.

KEY FACTS & FIGURES



7+ decades
Experience



16 States
Current Domestic Presence



12,000+
MW Hydro Project



85+
Dams



300+ kms
of Tunnels



5.5+ Lakhs
Acres Irrigated



1,200+ kms
Road



₹ 1,50,115 million
Order book



4200+
Employee Strength



Debt to Equity
0.78x



FY22
₹ 33,803 million :Revenue
₹ 5,277 million :Operating EBITDA
₹ 548 million :PAT

Year At A Glance

Our T-2 project was featured in Ace Magazine where our Whole Time Director and CFO, Ms. Kavita Shirvaikar shared her views on some of the key achievements of the project. There was a record achievement of 775m Record Arch Lining Progress in a single month at this project.

At our Sela Pass Project, which is the highest bi-directional road tunnel in the world, we have achieved a breakthrough on 22nd January, 2022. Final breakthrough blast was virtually presided by Defense Minister Shri Rajnath Singh.

In the Jammu and Kashmir zone, a breakthrough of 8.0m dia tunnel was achieved at our T-15 site with the New Austrian Tunneling Method (NATM).

Achieved Fastest Boring and maximum record progress of 653m in one month – in the 3.2 dia TBM segment in our AMT-II Water Tunnel Project located in Mumbai.

Received Order's of more than ₹ 2,300 Cr in FY22 and ₹ 2,880 Cr L1 converted in to orders subsequently.

Featured as one of the Revolutionary Companies to Watch – 2021 in Insights Success Magazine.

For FY22 we have achieved Revenue growth of 69.46%, while EBITDA & PAT grew by 124.91% & 124.71% respectively.

Employee strength grew by 100%

Our Major Achievements



Fastest conventional tunneling



10th fastest RCC Dam concreting – Ghatghar RCC Dam



Commissioned more than 85 Dams



More than 300 Km Tunnelling completed



More than 4,000m shaft boring completed



Largest surge shaft in Asia – 38m dia – Rampur Project



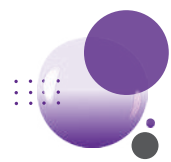
Largest underground power house cavern – Srisaillam HE Project



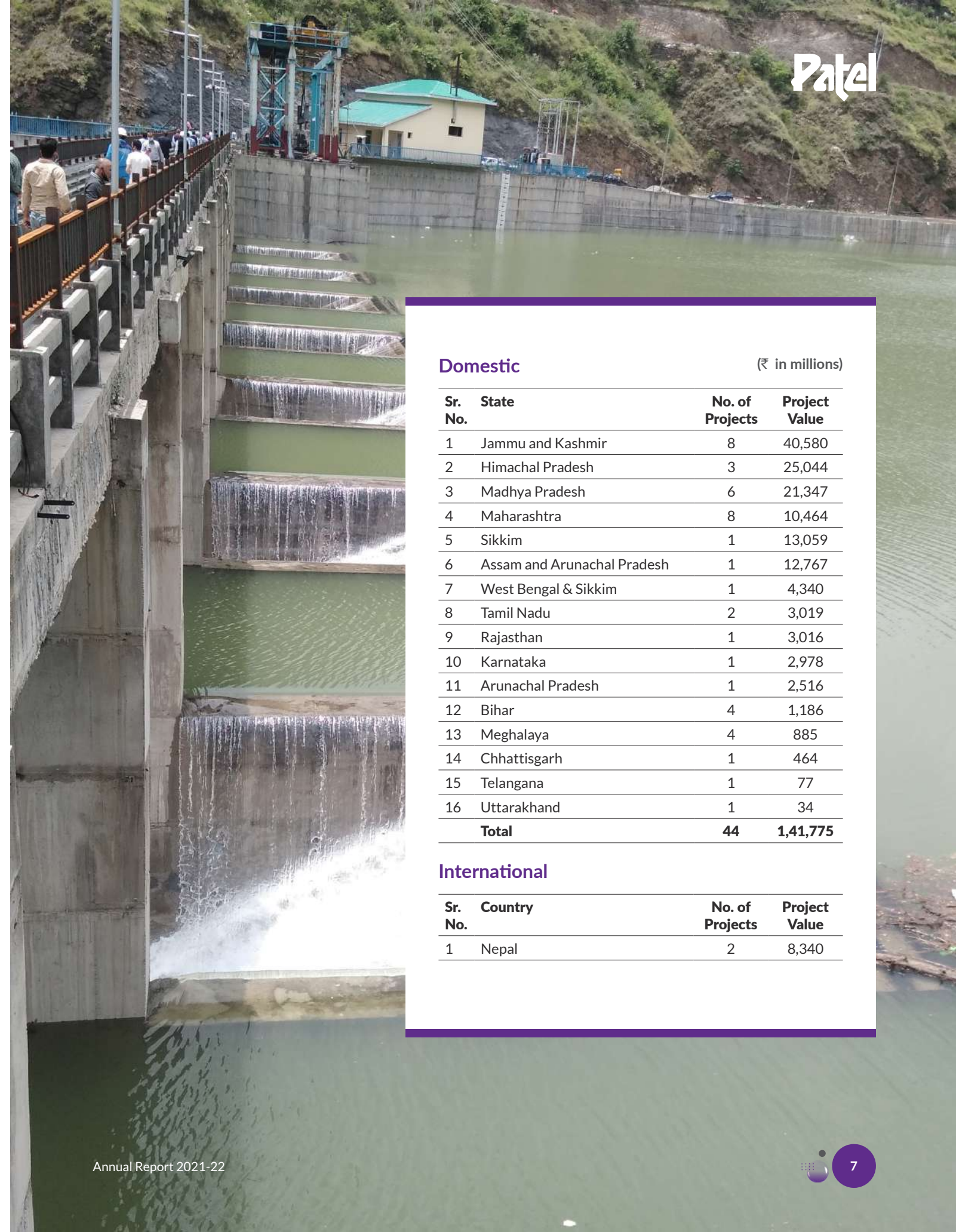
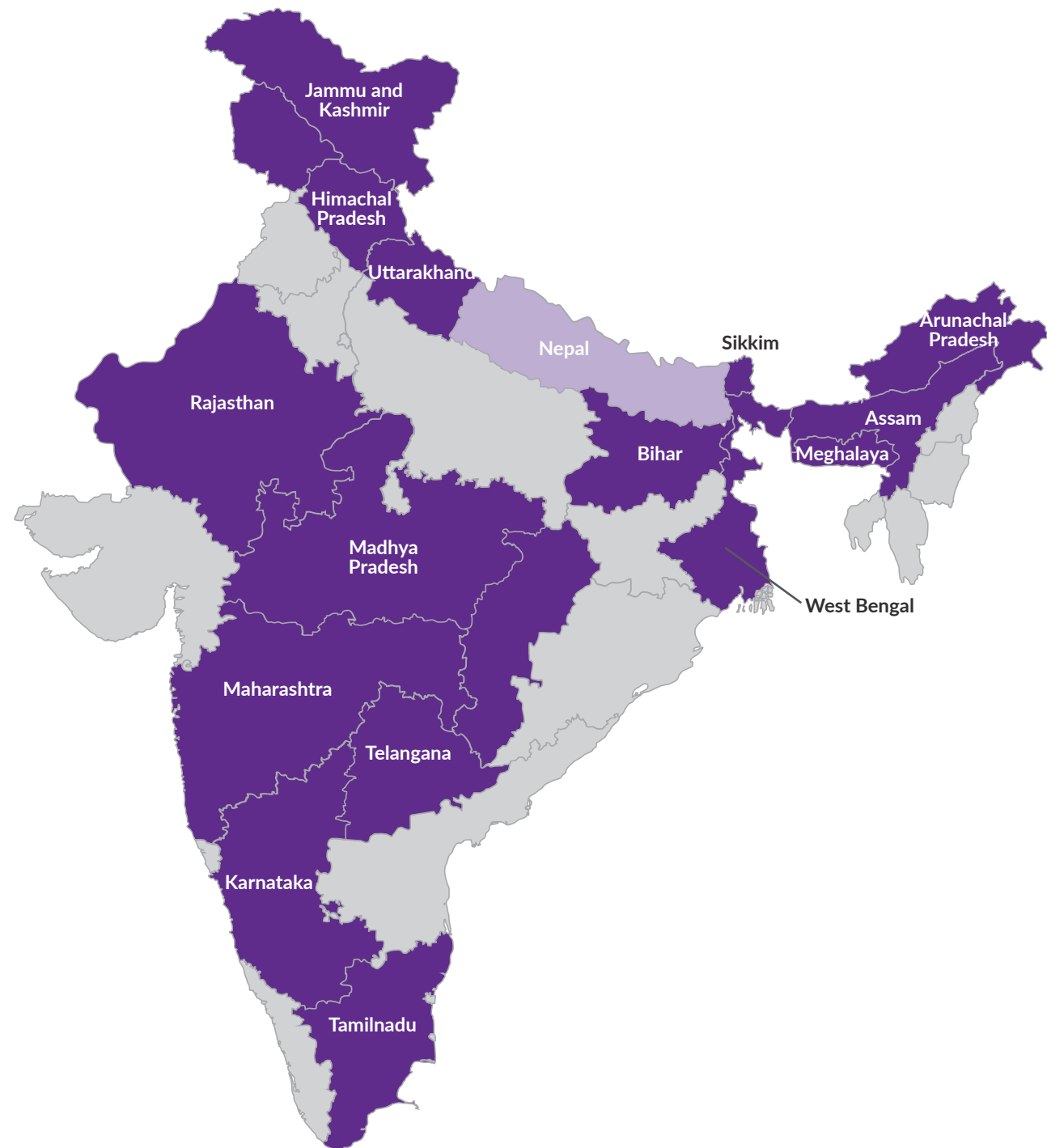
First Double lake tapping in Asia – Koyna Project



Recipient of many national and international awards



ONGOING PROJECTS



Domestic

(₹ in millions)

Sr. No.	State	No. of Projects	Project Value
1	Jammu and Kashmir	8	40,580
2	Himachal Pradesh	3	25,044
3	Madhya Pradesh	6	21,347
4	Maharashtra	8	10,464
5	Sikkim	1	13,059
6	Assam and Arunachal Pradesh	1	12,767
7	West Bengal & Sikkim	1	4,340
8	Tamil Nadu	2	3,019
9	Rajasthan	1	3,016
10	Karnataka	1	2,978
11	Arunachal Pradesh	1	2,516
12	Bihar	4	1,186
13	Meghalaya	4	885
14	Chhattisgarh	1	464
15	Telangana	1	77
16	Uttarakhand	1	34
Total		44	1,41,775

International

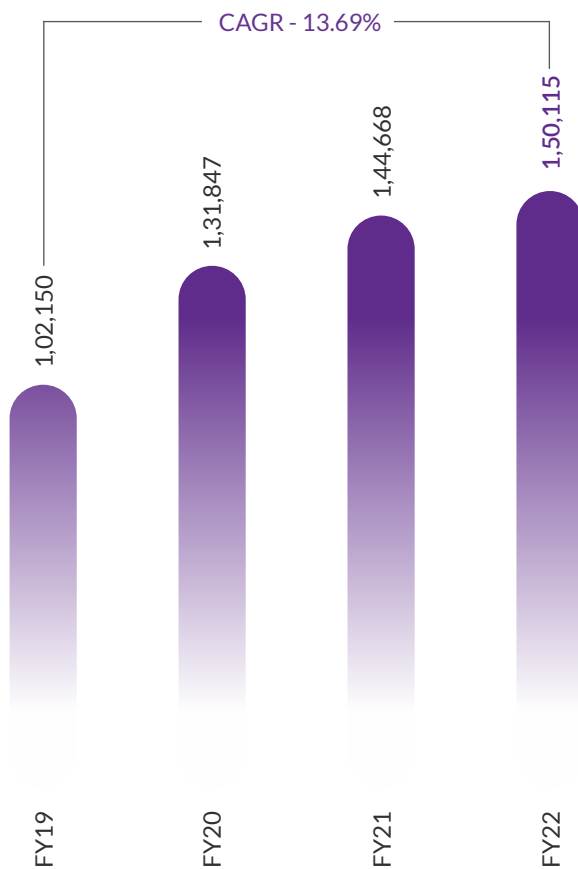
Sr. No.	Country	No. of Projects	Project Value
1	Nepal	2	8,340



ORDER BOOK

Yearly

(₹ in millions)

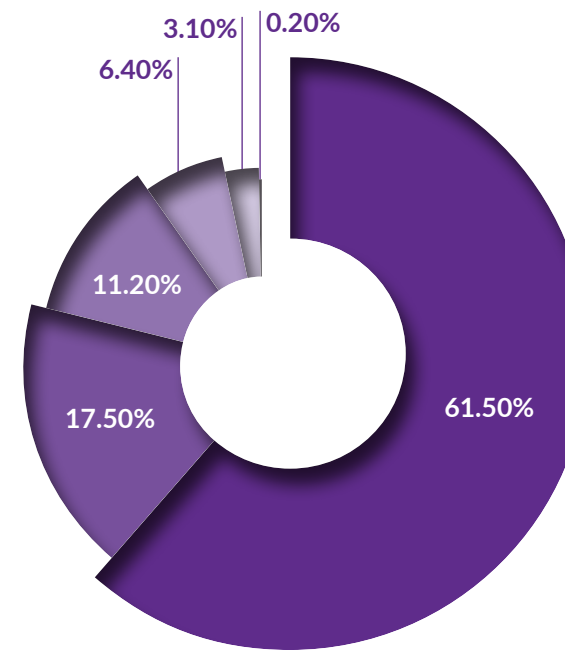


Total Order Book as on 31st March 2022 stands at ~ ₹ 1,50,115 million.

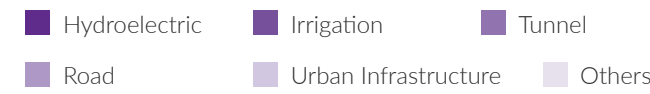


SEGMENT WISE ORDER BOOK

(₹ in millions)

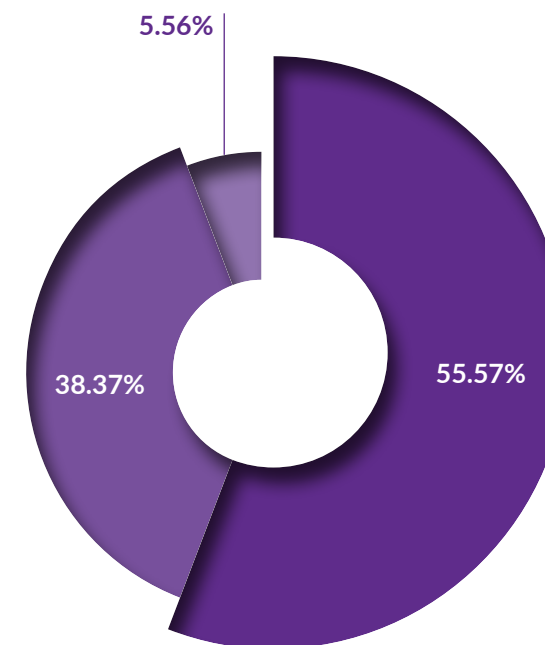


Segment	No. of Projects	Order Book Value
Hydroelectric	16	92,364
Irrigation	10	26,254
Tunnel	4	16,865
Road	7	9,657
Urban Infrastructure	7	4,707
Others	2	268
Total	46	1,50,115



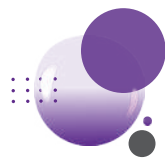
CLIENT WISE ORDER BOOK

(₹ in millions)



Client	No. of Projects	Order Book Value
Central Government PSU's	17	83,422
State Government Departments	27	58,353
International	2	8,341
Total	46	1,50,115





COMPARATIVE FINANCIALS

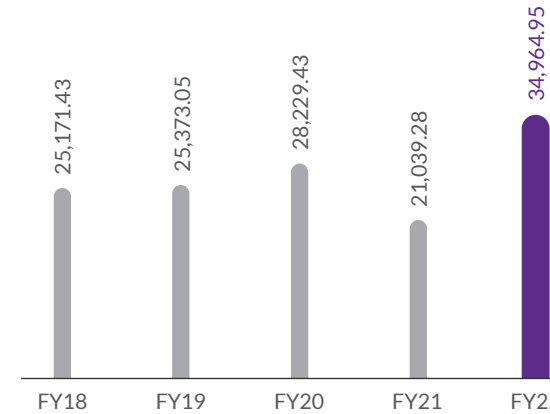
(₹ In Million)

Particular	FY2018	FY2019	FY2020	FY2021	FY2022
A. FINANCIAL POSITION					
Share Capital	156.99	164.24	408.17	465.45	479.23
Reserves & Surplus	21,441.05	22,602.88	25,061.78	22,730.21	23,357.13
Shareholders Funds	21,598.04	22,767.12	25,469.95	23,195.66	23,836.36
Minority Interest	557.45	565.93	330.98	612.90	714.11
Deferred Tax Liability (Net)	-	-	-	-	-
Loan Funds	28,718.57	26,980.10	22,958.30	22,663.89	22,616.12
Total Funds Employed	51,357.84	50,313.12	48,759.16	46,733.20	47,166.59
Fixed Assets (Net)	13,484.16	16,412.38	17,480.77	13,611.47	14,633.28
Investments	1,411.33	1,314.43	1,055.75	678.90	816.08
Deferred Tax Assets (Net)	1,166.05	1,638.67	1,174.94	2,002.80	1,973.68
Net Current & Non Current Assets	35,296.30	30,947.64	29,047.70	30,440.03	29,743.56
Total Application of Funds	51,357.84	50,313.12	48,759.16	46,733.20	47,166.59
B. OPERATING RESULTS					
Income from Operations	22,745.49	23,622.05	26,172.14	19,947.93	33,802.89
Other Income	2,425.95	1,751.00	2,057.29	1,091.35	1,162.06
Total Income	25,171.43	25,373.05	28,229.43	21,039.28	34,964.95
Total Expenditure	22,874.54	24,278.17	27,845.08	22,335.74	33,539.99
EBITDA	7,747.00	5,352.20	3,910.60	3,437.71	6,439.20
EBITDA Margin as % of Total Income	30.8%	21.1%	13.9%	16.3%	18.4%
Profit/ (Loss) Before Exceptional Items And Tax	2,296.90	1,094.87	384.35	(1,296.46)	1,424.96
Profit/(Loss) After Tax	1,025.83	1,541.46	111.31	(2,907.47)	718.49
Minority Interest and other adjustments	66.77	57.14	39.30	119.85	98.49
Net Profit/(Loss) For Owner	959.06	1,487.25	44.46	(2,982.04)	547.57
Net Profit Margin as % of Total Income	3.81%	5.86%	0.16%	-14.17%	1.57%
C. EQUITY SHARE DATA					
Earning per share (Rs.)	6.67	9.71	0.39	(6.78)	1.51
Number of Shares	156,994,691	164,248,506	408,178,292	465,453,024	479,230,494

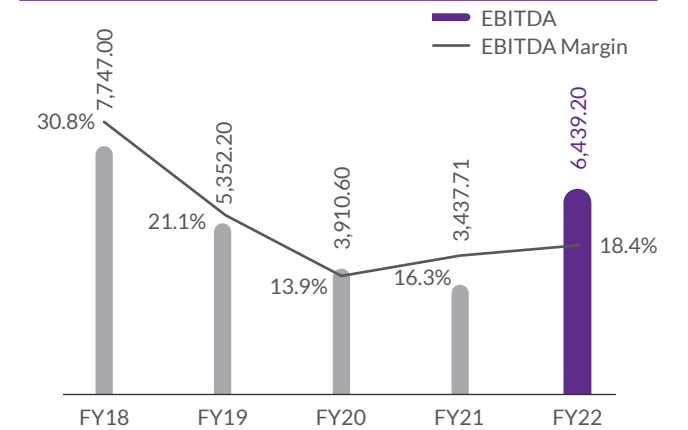
KEY HIGHLIGHTS

(₹ In Million)

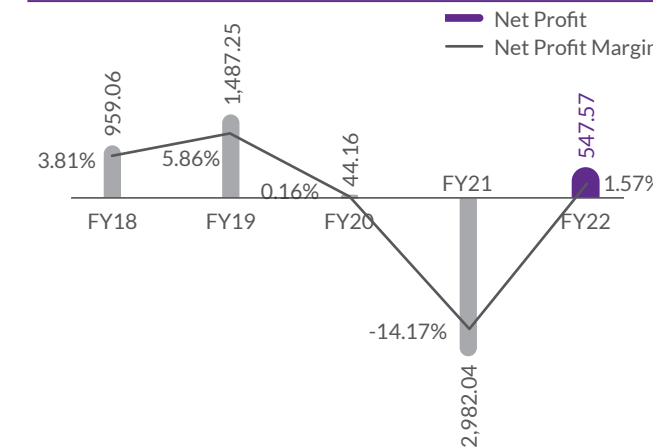
Revenue



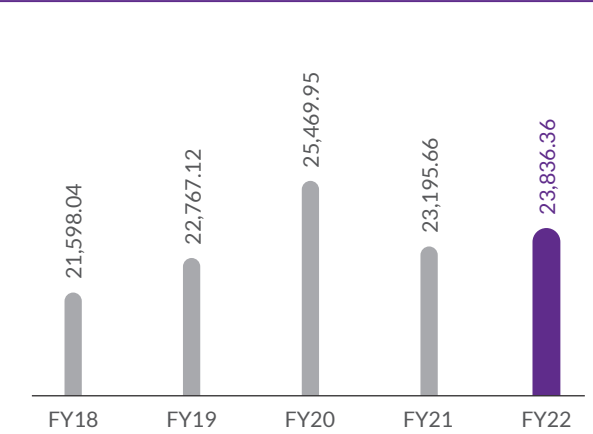
EBITDA & EBITDA Margin



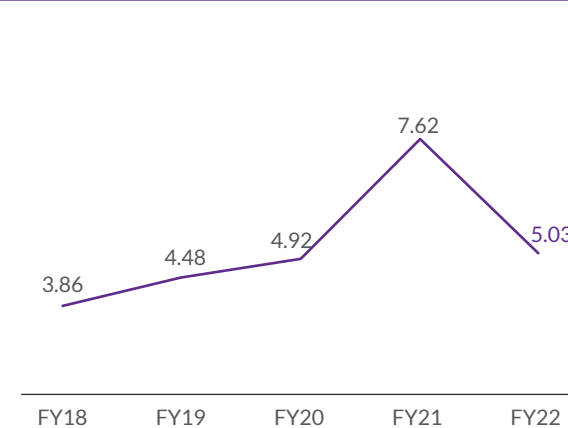
Net Profit & Margin (%)



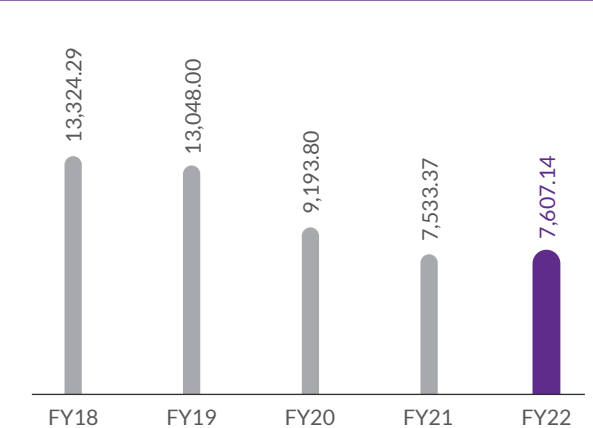
Shareholders Funds



EV/EBITDA (In Times)



Long Term Borrowing



HYDRO POWER PROJECTS

The Company has extensive experience in the construction of hydroelectric projects across the country, ranging from 3 MW to more than 2000 MW. We have also constructed powerhouses of all types, including underground, surface, and subsurface, as well as associated structures such as intake, gate structures, penstocks, switchyards, and affiliated services and buildings.

Working on a hydroelectric power project requires a lot of experience and expertise. Dealing with difficult geographical areas, harsh weather and other harsh conditions can be challenging, but at PEL, we see these obstacles as opportunities. Our can-do attitude has helped us successfully execute numerous prominent power projects in spite of these hindrances.

PEL Large Hydro Power Projects:

Koyna HEP	1000 MW
Arun 3 HEP	1000 MW
Kiru HEP	624 MW
Kameng HEP	600 MW
Tapovan HEP	520 MW
Teesta 6 HEP	500 MW

Generated more than

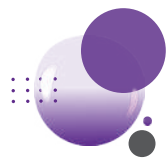
12000 MW



Subansiri Hydroelectric Project, Assam



Subansiri HEP is one of the largest 'hydroelectric power project in India, with the capacity of 2000 MW



Dams are an integral part of the modern world. The Company is contributing significantly towards the Government's efforts to optimally manage water, a precious resource of Mother Nature. The construction of dams demand extreme engineering prowess and the Company has proven its trustworthiness by successfully constructing prestigious dams across the country.

Our portfolio is adorned by challenging dams such as Serlui earthen dam, Ghatghar (which ranks among the first three RCC dams in India and 40 RCC dams across the globe). Besides, we have also handled underground powerhouses with appurtenant structures.



Parbati Hydroelectric Project, Himanchal Pradesh



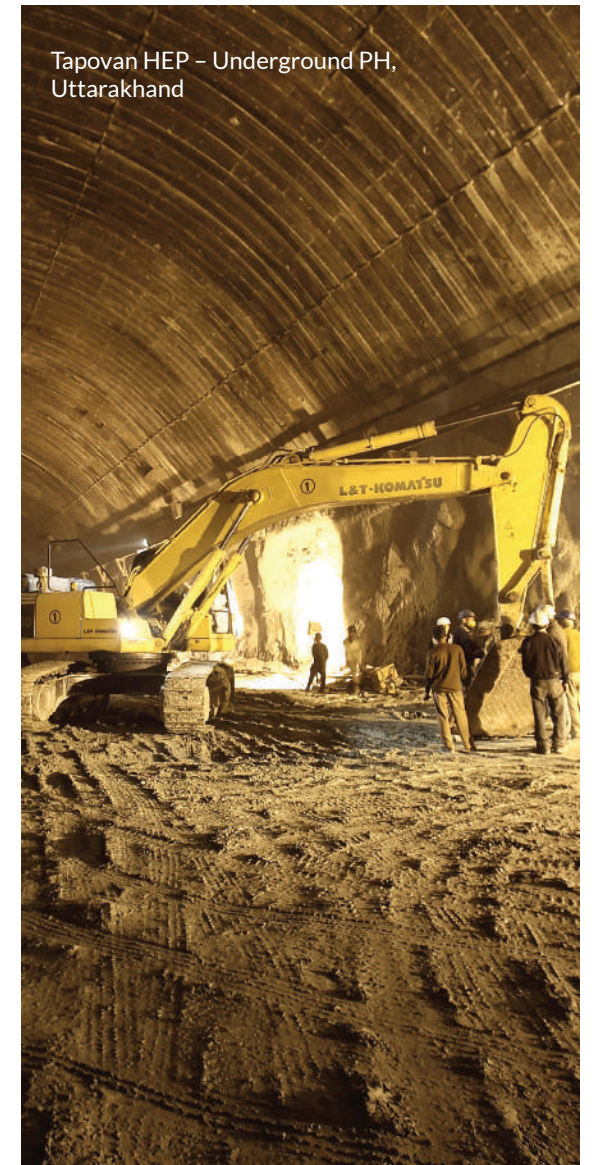
Kameng HEP, Arunachal Pradesh



Kimi Sub Surface Power House (Kameng HEP), Arunachal Pradesh



Sawrakuddu Underground Power House, Himanchal Pradesh



Tapovan HEP - Underground PH, Uttarakhand

Commissioned more than
85 Dams



Power Houses

A power house is where electricity is produced from generators driven by turbines that convert the potential energy of falling or fast-flowing water into mechanical energy. They are classified into three categories; i.e. surface power house, underground power house and sub-surface power house. PEL has successfully completed all three types of power house for hydroelectric projects in India.

UNDERGROUND WORKS

Tunneling requires specialized competencies and the Company has emerged as one of the most capable engineering companies for executing such projects. PEL has replaced conventional tunneling methods with state-of-the-art technology and sophisticated equipment and methods like NATM.

The MCGM Water Tunnel consisted of Excavation of a 6400m concrete lined tunnel by TBM, 4 nos of shaft excavation, Surface pipeline works, fixing of valves and electrical works.

Veravalli Mumbai Tunnel Project involved the construction of a rock tunnel of 3.0m bored diameter to 2.2 finished diameter by modern full face rock TBM including communication facilities.

Drilled over
300 kms
 of tunnels



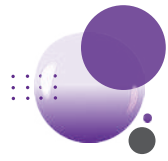
Kiru Hydroelectric Project, Jammu & Kashmir



Kundah Hydroelectric Project, Tamil Nadu



Luhri Hydroelectric Project, Himachal Pradesh

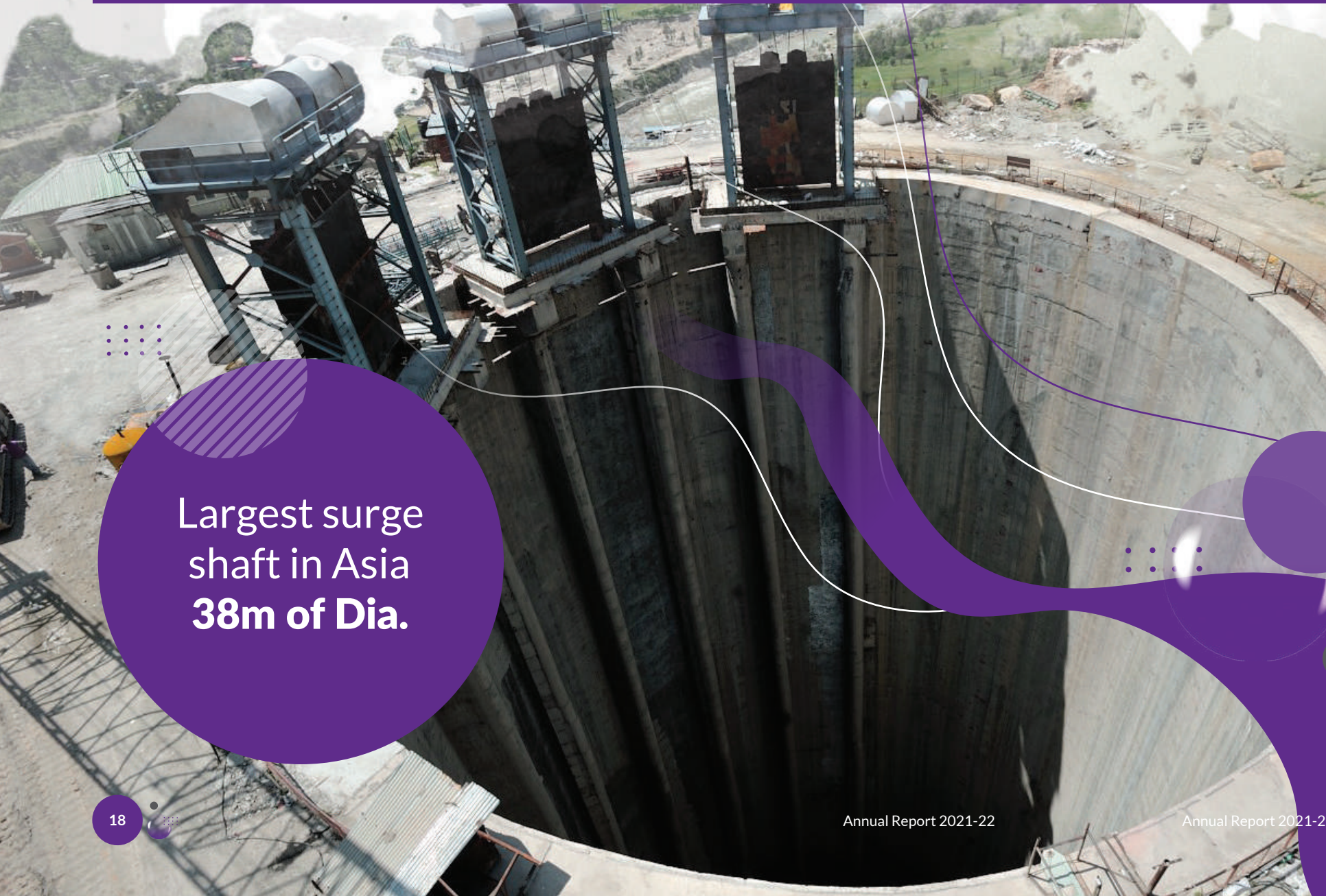


Some of the prominent underground caverns constructed by PEL for Power Houses for Tapovan HE Project, Sawrakuddu HE Project and it is currently executing Arun-3 HE Project – Nepal, Kundah HE Project, etc.

An underground power station is a type of hydroelectric power station constructed with major components like machine hall, penstocks, and tailrace from rock, rather than the more common surface-based construction methods.

The terrain or geology around a dam also plays an important role in ensuring the success of such projects. PEL's success in such type of projects is a result of the expertise it has developed in over 7 decades of experience.

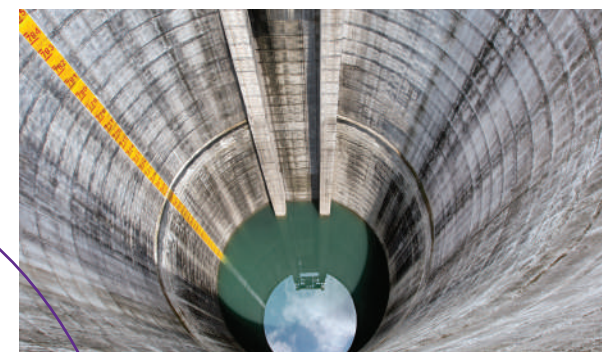
Drilled over
4000m
of shafts in all
shapes and sizes



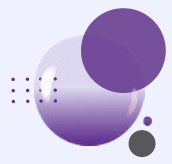
Largest surge shaft in Asia
38m of Dia.



Kundah HEP,
Tamil Nadu



Rampur HEP,
Himachal Pradesh



TRANSPORT

In recent years, infrastructure related to transportation has grown by leaps and bounds in India. The Company is proud to be a part of this inspirational growth with the construction of some of the finest roads and rail bridges across the Nation.

Our projects include the 25 km-long East-West Corridor in Assam, Sela bi-lane road tunnel at highest altitude of 13800 ft. from the sea level. High altitude roads like Karzok-Chumar at Indo-Tibetan border, we have not only built highways, bridges and roads, but also an unmatched reputation of dependability, capability and ingenuity.



Shimoga Highway, Karnataka

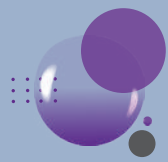


Sela Road Tunnel, Arunachal Pradesh



AS - 15, Assam

Constructed more than
1200 kms Roads



RVNL - KTR, a 35 km new railway line from Keoti to Dallirajhara - Rowghat section is a project of national importance which will enable the transportation of iron ore from Rowghat to Bhilai Steel Plant and also facilitate a convenient form of locomotion for the locals.

We are constructing 2 important tunnels on USBRL project i.e. T-2 (length 5.08 km) accompanied by a parallel escape tunnel and T-15 (length 13.77 km). we are also executing parallel tunnels of T-14 (length 4 km). USBRL is one of the most challenging railway projects and is crucial for the development of Jammu & Kashmir. This is one of the key package in USBRL project to connect Kashmir with the rest of India making the journey seamless, hassle free and all weather connectivity.

Record achievement of **775m** Arch Lining Progress in a single month at USBRL - T2



Udhampur-Srinagar-Baramullah Rail Link - T2, Jammu & Kashmir

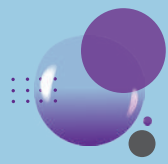


Udhampur-Srinagar-Baramullah Rail Link - T15, Jammu & Kashmir



RVNL - KTR Rail Project, Chhattisgarh





IRRIGATION & WATER SUPPLY

Irrigation and water supply is one of the major contributing factors in the development of any nation's economy. PEL has built Earthen Dams and Concrete Gravity Dams to help people gain access to the waters flowing through rivers in India. It has also built jetties, caissons, slipways, wet docks and other allied structures.

Over 5.5 Lakh acres of land Irrigated

Our major irrigation projects include :

Water supply and sewerage for Municipal Corporation of Greater Mumbai

Bhima Lift Irrigation Project

Kalwakurthy Lift Irrigation

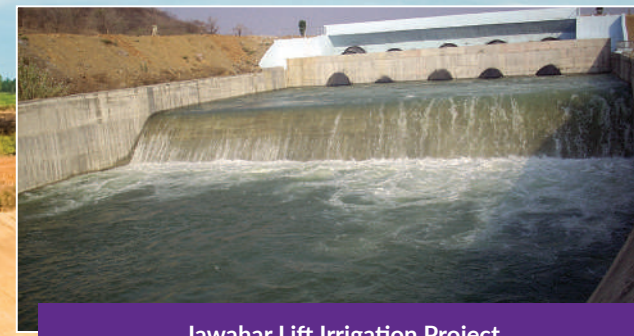
Slemanabad-Bargi Diversion Project

Parell Lower Ganga Canal

Krishna Delta System.

Jawahar Lift Irrigation Project

Jigaon Lift Irrigation Scheme



Jawahar Lift Irrigation Project

Largest Diameter TBM used for irrigation project

The Company's in-depth knowledge, fleet of mechanical assets, expertise, efficient management approach and determination to revolutionize irrigations systems have been instrumental in the construction of some of the most challenging irrigation projects.

PEL is equipped with state-of-the-art 'Micro-tunneling Technology' and 'TBM Tunneling'.

These have been successfully deployed at various sites of our tunneling projects which has ensured efficient project execution with comparatively lesser inconvenience caused to surrounding.

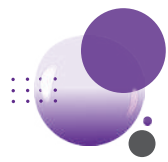


Nettampadu Lift Irrigation Project, Karnataka

PVPG Water Supply Project, Maharashtra

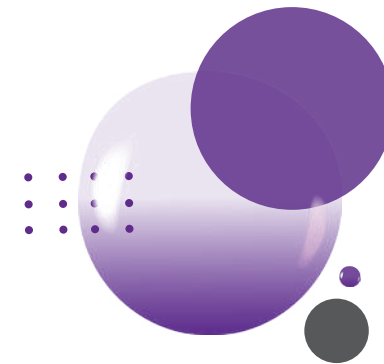
AMT-2 Water Supply Project, Maharashtra





URBAN INFRASTRUCTURE

The Company is engaged in contract based construction (EPC) of buildings and has constructed landmark structures such as Hotels, Theatres, Post Offices, Car Parks, a Sports Stadium, College Campuses, Office buildings, Power Stations and Public Utility Buildings among others.



The Company is proud to have constructed some very prestigious projects such as the Indoor Stadium in Gujarat, India, Tourist Facilities at Mantalai in Jammu & Kashmir, BYTCO Hospital, Maharashtra, India, General Post Office in Qatar and Conference Centre cum Secretariat for SAARC in Bhutan.



Mantalai Jammu Tourism Building, Jammu & Kashmir



BYTCO Hospital, Maharashtra



Smondo Gachibowli, Telangana



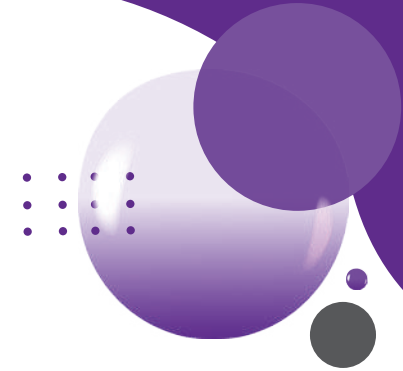
Neotown Residential Complex, Karnataka





The structures built by the Company are not just towering symbols of quality and technical precision, but also exquisite examples of beauty and aesthetics. The Company has earned special recognition from international governments and engineers for constructing a futuristic building in the Arabian Gulf.

The Company has also constructed Oil Refineries, Foundries and Machine Shops, Chemical plants a range of industrial units requiring several tones of concrete, structural steel fabrication and installation.





ASSET OWNERSHIP

Asset ownership by private sector in infrastructure development helps in releasing the pressure on government treasury. It facilitates introduction of newer technologies, and speedy project execution. Patel Engineering too has its participation in this model of infrastructure development.

The Company has successfully executed a massive project on NH-7, which connects Islam Nagar to Kadthal. This is a Build-Operate-Transfer (BOT) project on the North South Corridor.



Andhra Pradesh NH-07



KNT - 01, Karnataka



Varanasi - Shaktinagar, Uttar Pradesh

ENGINEERING CAPABILITIES WITH TECHNOLOGY ORIENTATION



RCC DAMS:

Roller Compacted Concrete (RCC) Dams were constructed for the first time in India by Patel Engineering Ltd at Ghatghar Pumped Storage Scheme (2 x 125 MW) in the State of Maharashtra. RCC is the key to fast, efficient, economic and a high quality way of constructing dams of any size & quantity. Extensive use of Fly Ash in Concrete Mix Design reduces the Cement content, thereby reducing the overall cost of the Concrete and it also aids in Environment Protection, as wasteful material like Fly Ash is put to a productive use. RCC is a zero slump concrete which is mixed, transported and placed in layers followed by spreading of the same with Dozers and compaction with the help of Vibratory Rollers.



LAKE TAPPING:

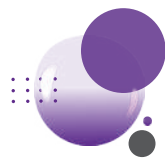
Lake Tapping is a technique for connecting water conductor system to the Lake. Lake can be pierced by both dry and wet (sub-merged) methods. In dry piercing, the Lake is depleted forcibly and rock plug is blasted from top. In sub-merged piercing, rock plug is blasted from bottom without depleting the Lake. The sub-merged piercing can be executed by two different methods, viz. open and close methods. For Koyna Lake Tap, open method with control gates on downstream of the shaft was adopted.



MICRO TUNNELING:

In order to solve the acute problems of underground infrastructure associated with rapid urban growth, PEL has used micro tunneling to construct subterranean networks for sewage, water and storm water applications. In the cities of Mumbai and Delhi, over 6 km of new networks have been built with pipe sizes ranging from 600mm to 2000mm and using RCC and HDPE pipes, thereby permitting urban planners to overcome hurdles such as existence of slums, lack of secondary networks for road, pedestrian and water traffic. Single drives of over 315 meters have been achieved.





BOARD OF DIRECTORS



Rupen Patel
Chairman & Managing Director

Experience: 26+ Years
A Commerce graduate from Mumbai University and holds an MBA degree from the Babson College, U.S.A. After completing his post-graduation, Mr. Rupen Patel started his career as an Advisor to the Board of Patel Engineering Limited and joined the team of Srisailem Hydro Electric Project, a mega project of 940 MW capacity located in Andhra Pradesh. He spent a lot of time in the work fronts and learnt the nitty gritty of construction works from foremen / supervisors and engineers at the site and devoted a major portion of his time learning the finer aspects of project management, material management, quality control, admin, accounting and also the financial aspect of the project. Thereafter, he was deputed to another difficult tunnel project under Konkan Railways. After his successful stint at the project sites, he was inducted in the Board of the Company as Executive Director 1996. Post assuming responsibilities as Executive Director, he took independent charge of two ongoing projects in Gujarat; Indoor Stadium under Surat Municipal Corporation and Surat Lignite Power Project owned by Gujarat Industries Power Company Ltd. He spent major portion of his time at these two project sites and focused on construction progress, quality, minimizing cost, etc & successfully led to timely completion. Eventually, he was elevated to the position of Managing Director in the year 1999. He has been trained under the supervision of his visionary father, Mr. Pravin Patel. Under his stewardship, the Company became one of the leading players in the Infrastructure sector, especially in the Hydro Power and under-ground Tunnelling. He is instrumental in motivating the employees through formulation of the ESOP plan and General Benefit plan for welfare/ wellbeing of the employees.



Kavita Shirvaikar
Whole Time Director & CFO

Experience: 24+ Years
An qualified Chartered Accountant and a Graduate of the Institute of Cost & Works Accountants of India. Ms. Kavita Shirvaikar, who specialises in accounting, tax, audit, banking, finance, and fund management, has completed difficult debt restructuring and fund-raising proposals in a varied capacities. She received recognition as one of the top 100 finance professionals in India in 2015, 2016 and 2017, as part of the yearly CFO 100 Program run by CFO India. As Vice President (Finance) at Patel Engineering Ltd., she later proceeded to the positions of Joint Chief Financial Officer (Joint CFO) and Chief Financial Officer (CFO) of the business. In a span of just 3 years with the Company, as of April 1, 2017, she has been promoted to the board of management. Her responsibilities now also cover risk management, investor relations, the Patel Group's debt realignment plans and reviewing and implementing best operational practices. She is a crucial in determining the Company's future direction and implement the strategic business plan other than also include managing the firm's treasury, overseeing cash balances, organising debt and equity financing, conducting treasury administration, finalising financial reports and representing the Company before investment bankers and investors.



Sunil D. Sapre
Whole Time Director

Experience: 42+ Years
A graduated in Civil Engineering from VJTI, University Of Mumbai (a Rank Holder) with Post-Graduate Diploma in Construction Management from NICMAR, Mumbai. Mr. Sunil Sapre has competence in a number of civil engineering fields, including pipelines, specialised building structures, irrigation, hydro projects, and transportation. He has been a part of the business for 31 years and played a direct role in achieving two company milestones: the first underwater double lake tapping in Asia at the Koyna hydroelectric project in March 1999, and the first roller compacted concrete (RCC) dam in India at the Ghatghar hydroelectric project in 2006. He has expertise in business development, operations, contracts, arbitration, law, legal issues, and tendering. He is directly accountable for the effective completion and commissioning of numerous projects.



K. Ramasubramanian
Independent Director

A Master of Science degree from University of Kerala, Post-graduation diploma in Business Administration (PGDBA) from Anna University, and a Certified Associate of Indian Institute of Bankers (CAIIB-I), Mr. K. Ramasubramanian joined the Board of the Company on September 20, 2019 as a Non-Executive and Independent Director. He has retired as a General Manager, Reserve Bank of India in May 2002 after serving the RBI for more than three decades occupying in various positions. His fields of specialisation include Foreign Exchange Business of Banks-Adviser on Foreign Exchange Business for Corporates-Banking Supervision, International Faculty of Training Colleges of Banks and Management Institutes in India and abroad. He was one of the faculty member of Reserve Bank Staff College in Chennai and was responsible for programme design, conducting programme sessions and interfacing with other educational institutions for the college. He was a Professor in S.P Jain Institute of Management, Mumbai for 8 years.



Sunanda Rajendran
Independent Director

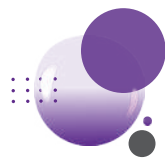
A M.Com, Diploma in Export /Import, International Arbitration, Business management and Secretarial Practice. Ms. Sunanda has led special initiatives including economic diplomacy, bilateral trade promotion, successful resolution of international disputes without actual arbitration, diaspora focused project, strategic and multilateral partnership, and innovative and impactful initiatives across 24 Arab and 53 African countries with the Foreign Trade Promotion Division team. She has been crucial in developing the skills of African women and young people, in empowering women, in providing health education to tribes and rural residents of several African nations, and in raising awareness of the dynamism of women by opening doors to employment in a variety of disciplines. Both Eram Megnaflux Pvt Ltd and Eram Hitech Engineering (India) Pvt Ltd currently have her on its boards as a director. At the moment, she serves as the Indo Arab Chamber of Commerce & Industries' Executive Director. She holds the positions of Managing Director of SRK Global and secretary general of the Indo African Chamber of Commerce & Industries. Additionally, she serves as Editor in Chief of the Arab Hind and the African Review and is the Vice Chair of the Mandvi Credit Co.op Society Ltd. and proprietor of Shruthi Enterprises.



Dr. Barendra Kumar Bhoi
Independent Director

A Ph.D. in Economics from the Indian Institute Technology (IIT) Bombay and a Master's degree in Analytical and Applied Economics from Utkal University, Bhubaneswar besides CAIIB from the Indian Institute Bankers. Dr. Bhoi has served as Member / Secretary / Convener for 27 Committees / Working Groups / Task Force set up by the Government of India / RBI. As a career central banker and economist with the RBI, he was the Principal Adviser and Head of the Monetary Policy Department at RBI during 2014-2016. He also served as Chief General Manager / Head of the Research Department at Securities and Exchange Board of India (SEBI) during 2005-2007, as Economic Policy Expert at Central Bank of Oman (CBO) during 2009-2012, and as a Visiting Fellow at IGIDR Mumbai 2018-2020. He is also an independent consultant to FIIs, Private Equities, Mutual Funds, etc. His other activities include delivering special lectures at educational institutions / think tanks / industry associations on contemporary issues; writing special columns in financial dailies; and appearing as a panelist on business news channels.

Currently, he holds the position of RBI Chair Professor at Utkal University, Bhubaneswar since December 2021.



MESSAGE FROM THE CHAIRMAN

Strong self-belief and perseverance are essential for success under trying circumstances.



Rupen Patel
Chairman & Managing Director

Dear Shareholders,

We have emerged stronger from distressing to restoring, surviving to thriving, and reviving to re-inventing in the aftermath of the unprecedented economic disruption caused by the Covid-19 pandemic during the last two years. The recovery of the Indian economy has been fueled by robust spending in the infrastructure industry. The government has been continuously initiating policies and regularly monitoring projects that would ensure the time-bound creation of world-class infrastructure in the country including power, bridges, dams, roads and urban infrastructure development.

Renewable and clean energy is a major focus area of the government. Hydropower makes the largest low carbon energy contribution to the global primary energy basket, which is 55% higher than that of nuclear power and larger than all other renewable energy (RE) combined. Hydropower has the ability to rapidly adjust -ramp up or reduce - power generation according to the peak demand, and make up for an intermittent generation of energy from alternative RE sources.

The Central Water Commission (CWC) of the Government of India, the State representatives and the World Bank had signed a US\$ 250 million project in August 2021 to support the Indian government's long-term dam safety program for safety and performance improvement of existing dams across various states. This would benefit the existing 120 dams across Chhattisgarh, Gujarat, Kerala, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Odisha, Rajasthan and Tamil Nadu, and also central sector projects at the national level through the CWC.

With augmented Government support and a steady economic upswing, India's energy sector has become attractive from an investor's perspective. As India looks to meet its energy demand on its own, which is expected to reach 15,820 TWh by 2040, clean energy is set to play an important role. The government plans to establish a renewable energy capacity of 523 GW (including 73 GW from Hydro) by 2030.

As per the National Infrastructure Pipeline 2019-2025, out of the total expected capital expenditure of ₹ 111 trillion, the highest share would go to the energy sector projects. Hydropower is vital given India's commitment under the Paris Agreement with target of 40% of total cumulative electric power capacity from non-fossil fuel sources by 2030. Hence, support to infrastructure players, especially in the construction of hydropower and irrigation projects, is of immense importance and part of the Prime Minister's vision to make India Atmanirbhar, attainable only with a strong infrastructural base. The Government is constantly monitoring the infrastructure projects and providing all possible support for their timely completion. We take immense pride that our Company has carved a niche place for itself in the infrastructure sector. Since inception, our company has focussed on delivering projects with excellent and reliable quality, especially in hydropower and underground tunnelling works.

The last year - the 74th year of Patel Engineering Ltd. - was memorable for our Company as we achieved several milestones in our performance. Notable among them are given below.

- We achieved the fastest boring and maximum record progress of 653m in one month - January 2022 at our **AMT-II Water Tunnel Project** located in Mumbai.
- In the Himalayan zone, a breakthrough of 8.0m dia tunnel was achieved at our **T-15 Project** with the Drill and Blast method. At this site, we also achieved a breakthrough in March this year by completing a 2969m-long tunnel successfully.
- There was a record achievement of 775m Arch Lining Progress in a single month at our **T2 project**.
- At our **Sela Pass Project**, which is the highest bi-directional road tunnel in the world, we achieved a breakthrough on January 22, 2022 with the final blast observed virtually by Defence Minister, Shri Rajnath Singh.
- The foundation stone for the **Kwar Hydro Electric Project**, which was recently awarded to us, was laid by the Hon'ble Prime Minister Shri Narendra Modi.

These achievements give me immense happiness and I feel grateful for having a wonderful team on board working hard towards taking the Company one step ahead.

The financial health of the Company is also improving. After a lacklustre FY21, there was an opportunity to recover quickly in FY22. On a consolidated basis, revenue from operations for FY22 stood at ₹ 33,802.9 million up by 69.46% from ₹ 19,947.9 million in the previous year. The consolidated EBITDA for FY22 at ₹ 5,277.2 million was higher by 124.91%. The net profit in FY22 was in the positive territory at ₹ 547.6 million as against a loss of ₹ 2,982.0 million in the previous year.

While rising on the ladder of converting your visions into reality, the Company has been focusing on bidding for new projects which are self-sustaining. I am delighted to inform everyone that our order book now stands at ₹ 1,50,115 million as of March 31, 2022. During FY22 the Company received major orders of around ₹ 23,000 million. Further, the Company was L1 for approximately ₹ 28,800 million as of March 31, 2022, for which LOA has been received.

While the order book is growing, we are focusing on strengthening our balance sheet. As a part of the one-time restructuring, although our company availed Funded-Interest Term Loan (FITL), the outstanding

debt was not impacted much. The total debt on a consolidated basis was ₹ 22,616.1 million as of March 31, 2022, compared to ₹ 22,663.9 million as of March 31, 2021. The same on a standalone basis was ₹ 19,907.1 million as of March 31, 2022, marginally higher than ₹ 19,187.4 million as of March 31, 2021. On a standalone basis, the Debt/equity ratio was maintained at 0.78. The Company expects to continue with its non-core asset monetization policy going forward and accordingly, the debt levels are expected to come down further in the next few years.

We are also building up a good base of equipment fleet which shall enable us to execute various projects going forward. The new orders received in FY22 and L1 converted subsequently in FY 23 should give a good boost to the overall growth of the Company leading to higher profitability. We are happy to inform you that we have been building up our human resources which is a key element for the success of our Company. Commensurate with our order book, we have increased the workforce from approximately 1,500 to more than 4,000 last year. We have proposed allotment of new shares under ESOP Plan to reward & retain employees by way of grants from time to time.

Our focus is to build a strong order book by selectively taking projects which are self-sustaining with reasonably good margins. With regular order inflows and a focus on reduction of debt, we shall be able to achieve substantial growth in the future and strengthen our financial position. We are a Pioneer of Technology and used that to our advantage by being the first Lake Tapping Company in Asia, the First Micro-tunnelling Company in India and one of the few Indian Companies with experience in the construction of RCC Dams. We are also in the process of merging some of our wholly owned subsidiaries with the parent Company which will help reduce costs and ensure that the Company gets synergies of operations throughout the group.

We have emerged from the pitfalls with our good business ethics and credibility. Further, we look forward to FY23 as the platonic year and have poised to leverage the opportunity coming from a strong order book. Your Company will benefit from the government's commitment to infrastructure with a key focus on hydropower and road development with Tunnelling. We are building a solid foundation for an ever-changing world and building an organisation which shall serve the nation by creating world-class infrastructure and providing employment across the country.

Storms' fury recedes, we at Patel Engineering Ltd. remain steadfast and patient to tide over the current challenges while retaining our strategic focus to grow our business and order book and become a future-ready enterprise that is far more competitive, efficient, and socially responsible.

Thank you, shareholders, for your much-needed support and cooperation in our mission to build a sustainable environment by confronting challenges and embracing the changes.

Yours truly,

Rupen Patel
Chairman & Managing Director



CORPORATE INFORMATION

BOARD OF DIRECTORS

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

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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 Ltd
Life Insurance Corporation of India (LIC)
General Insurance Corporation (GIC)
Indian Renewable Energy Development Agency (IREDA)

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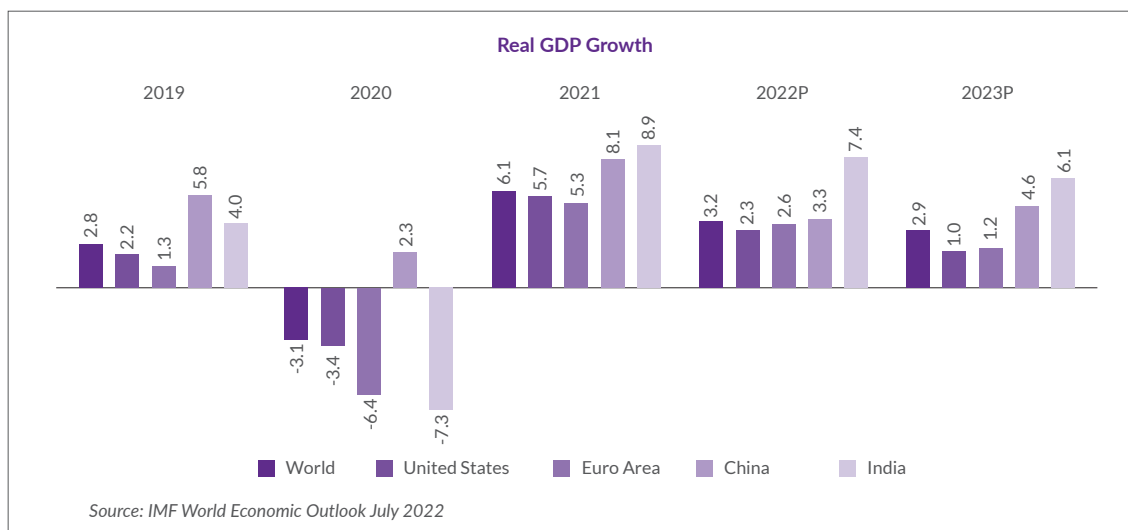
Management Discussion and Analysis

World economic outlook

The global economy, still reeling from the pandemic and Russia’s invasion of Ukraine, is facing an increasingly gloomy and uncertain outlook. Higher-than-expected inflation, especially in the United States and major European economies, is triggering a tightening of global financial conditions. China’s slowdown has been worse than anticipated amid COVID-19 outbreaks and lockdowns, and there have been further negative spillovers from the war in Ukraine. As a result, global output contracted in the second quarter of this year.

Lower growth earlier this year, reduced household purchasing power, and tighter monetary policy drove a downward revision of 1.4 percentage points in the United States. The risks to the outlook are overwhelmingly tilted to the downside. The war in Ukraine could lead to a sudden stop of European gas imports from Russia; inflation could be harder to bring down than anticipated either if labor markets are tighter than expected or inflation expectations unanchor; tighter global financial conditions could induce debt distress in emerging market and developing economies; renewed COVID-19 outbreaks and lockdowns as well as a further escalation of the property sector crisis might further suppress Chinese growth, and geopolitical fragmentation could impede global trade and cooperation. A plausible alternative scenario in which risks materialize, inflation rises further, and global growth declines to about 2.6 percent and 2.0 percent in 2022 and 2023, respectively, would put growth in the bottom 10 percent of outcomes since 1970.

With increasing prices continuing to squeeze living standards worldwide, taming inflation should be the first priority for policymakers. Tighter monetary policy will inevitably have real economic costs, but the delay will only exacerbate them. Targeted fiscal support can help cushion the impact on the most vulnerable, but with government budgets stretched by the pandemic and the need for a disinflationary overall macroeconomic policy stance, such policies will need to be offset by increased taxes or lower government spending. Tighter monetary conditions will also affect financial stability, requiring judicious use of macroprudential tools and making reforms to debt resolution frameworks all the more necessary. Policies to address specific impacts on energy and food prices should focus on those most affected without distorting prices. And as the pandemic continues, vaccination rates must rise to guard against future variants.



Indian economic outlook

Despite difficulties caused by the pandemic last year, the Indian economy has proven to be reasonably resilient. However, a few headwinds may affect the country’s economic recovery in FY23. In Q3 and Q4 of FY22, India’s GDP expanded by 5.4% and 4.1% respectively compared to 8.4% in the preceding quarter. In its April 2022 Monetary Policy Committee meeting, the RBI reduced



the FY23 GDP prediction from 7.8% to 7.2% and retained it in the June policy due to growing geopolitical uncertainty on the economic outlook. In its June 2022 policy, the RBI has increased the projection of retail inflation from 5.7% to 6.7% in FY23. Geopolitical tensions and sanctions have so far continued to cause global disruptions, leading to shortages and rising commodity prices, which greatly increased the likelihood of sustaining high inflation.

In order to manage inflation, the RBI is anticipated to raise interest rates further. Due to a decrease in the production of coal and crude oil, India's core sector growth slowed to 4.3% in March from 6.0% in February 2022, while the Index of Industrial Production (IIP) increased by 1.7%.

India's GDP growth is anticipated to be the highest among major economies in 2022, growing by 7.4%, according to the IMF's July World Economic Outlook, although decreased by 80 bps from 8.2% predicted earlier. The revised growth forecast takes into account the possibility of weaker domestic demand as a result of rising oil prices, which might have an adverse impact on private consumption and investments. India's growth forecast for 2023 has also been lowered by the IMF from 6.9% to 6.1%.

Given foreign supply shocks and geopolitical unrest, the short-term outlook appears uncertain, but the government is acting responsibly to put the nation on a sustainable economic trajectory. This year's union budget's emphasis on urban infrastructure, power generation from renewable energy and the digital economy proved particularly beneficial to the long-term expansion of the Indian infrastructure industry. The government's commitment to sustain large capital expenditure for the year is anticipated to increase economic activity and open up job possibilities.

Indian macroeconomic review

The budget continues to focus on infrastructure to sustain high rate of growth. Under the direction of PM Gati Shakti, the budget aims to offer a road map for the Indian economy for the next 25 years, emphasising a transformative approach for economic growth and sustainable development that values infrastructure as a pillar. The government has significantly increased public investment, supplemented by private capital, with a focus on the PPP model, to finance infrastructure.

The government's push for bilateral/multilateral cooperation among major economies would give a boost to the construction sector. India, USA, Japan and Australia launched a new quadrilateral economic forum in November 2021 to concentrate on regional infrastructure development initiatives besides improving security arrangement.

FY23 Union Budget Highlights for Infrastructure Sector

Infrastructure continues to be major focus in Union Budget. Seven engines of Gati Shakti would be in full force – Roads, Railways, Airport, Ports, Mass Transport, Waterways, Logistics infrastructure to accelerate economic growth. Asset creation is centred around roads and railways. Over half (51%) the capital outlay in FY23 is allocated to these segments. Spending on road transport is 58% more than in FY22

About ₹ 7.50 trillion is being reserved for capital expenditure and for building the infrastructure, which is about 2.3% of GDP in real terms along with grants to states, the actual amount spend would be about ₹ 10.25 trillion or 4.1% of GDP.

Further, there is a surge in developing power projects which is largely in renewable energy space to meet the ever growing demands of power and energy of an economically growing population in the country.

About 25,000 Kms of new highways and roads will be developed in FY23 ₹ 200 billion will be mobilized through innovative ways of financing to complement the public resources.

400 new trains will be developed in 3 years which will also strengthen local manufacturing apart from providing faster transportation for goods and services.

For Water in Tap, additional sum of ₹600 billion is allocated connecting 380 million new homes.

In 2022-23 8 million houses will be completed for the identified eligible beneficiaries of PM Awas Yojana, both rural and urban. ₹480 billion is allocated for this purpose.

5 river linking projects at an estimated cost of about ₹450 billion benefiting about 0.9 million hectare of farm land providing

drinking water to about 6.2 million people and production of 100 MW hydel and 27 MW solar power is also provided.

In next 25 years, nearly 50% of India's population would be staying in urban areas and a significant attention is being given to build new 2 & 3 tier cities and infrastructure.

(Source: GOI Budget Document)

Infrastructure Sector Outlook in India

Power

The prognosis for the industry has changed as a result of the considerable transformation in the Indian electricity sector. India's need for power is still being driven by sustained economic expansion. The Indian government's emphasis on achieving "Power for All" has sped up the country's capacity expansion. It is also aware of its objective to significantly reduce emissions from the power industry. Given the government's growing emphasis on decarbonizing the nation's power generation mix and the COVID-19 pandemic's negative economic effects, the expansion of the thermal power industry remained modest. New coal-based units can be built to replace older units of similar capacities, but only after it is conclusively proven that it is not feasible to meet the projected demand from alternative non-fossil sources, according to recommendations made by a panel assembled by the Ministry of Power to update the National Electricity Policy. Alternatively, the government is focussing on developing hydro power projects which are renewable sources of generating electricity and given that our country has enormous water resources, this is a very viable option.

Although India's pipeline and LNG import infrastructure has been developing, domestic and imported natural gas remain economically viable for power production projects, hence the near- to mid-term chances are still not very promising. While a committee was established by the government last year to ensure that natural gas was accessible to power plants at a "reasonably steady price," the majority of India's 24 GW of installed and commissioned gas-based projects are still not fully utilised. India is the third-largest producer and second-largest consumer of electricity worldwide. Growing population along with increasing electrification and per-capita usage will provide further impetus. Power consumption is estimated to reach 1,894.7 TWh in 2022.

Under the Union Budget 2022-23, the government announced the issuance of sovereign green bonds, as well as conferring infrastructure status to energy storage systems, including grid-scale battery systems. Further, ₹ 195 billion (US\$ 2.57 billion) was allocated for a PLI scheme to boost manufacturing of high-efficiency solar modules. As per the National Infrastructure Pipeline 2019-25, energy sector projects accounted for the highest share (24%) out of the total expected capital expenditure of ₹ 111 trillion (US\$ 1.4 trillion). Total FDI inflow in the power sector reached US\$ 15.84 billion between April 2000 and December 2021.

Electricity consumption is one of the most important indices that decide the development level of a nation. The Government of India is committed to improving the quality of life of its citizens through higher electricity consumption. The aim is to provide each household access to electricity, round the clock. The 'Power for All' programme is a major step in this direction.

The Ministry of Power, India started the joint initiative with 36 states and UTs to provide power for all. Joint initiative plans have been arrived at by each of the states. The objective is to provide 24x7 power available to all households, industry, commercial businesses, public needs, any other electricity consuming entity and adequate power to agriculture farm holdings.

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). As of December 2021, the all India total installed capacity was at 393,389.46 MW. Of which 235,218.72 MW is thermal power, 104,878.53 MW Renewable Energy Sources 46,512.22 MW Hydro power, 6,780 MW Nuclear power.

(Source: IBEF report on Power industry and Ministry of Power AR FY22)

Hydro power

Hydro Power has been a mainstay of the Indian power sector for a long time. Hydro power has a renewed emphasis with the changing energy mix of India. Meeting the energy needs of an aspiring population is very important. Hydro power is critical in India despite climate change issues.



The Government of India set an ambitious target for enhancement of non-fossil fuel capacity to 500 GW by 2030. Solar and wind energy invariably depends upon the weather conditions. With the increased share of intermittent Renewables in the energy mix of the country, the existing flexibility in generation of power may not be sufficient to meet the balancing requirement in the electricity grid and the stable operation of Grid ensuring stable power supply to all. Hydro power has unique features like quick ramping, black start capability etc and can play a very useful role in complementing renewable sources of power and in stabilizing/balancing the grid.

Hydro energy is clean, green, sustainable, renewable, non-polluting and environmentally friendly. The development of hydro power and hydro pumped storage projects is extremely important. Hydro projects improve quality of life in remote hilly and backward areas as with supply of electricity they receive benefits of electrification, industrialization and road/rail communication development. Hydro power is cheapest while it helps conserve fossil fuel. It is the cheapest energy in the long run with an ability for instantaneous starting, stopping and load variation. Thus it is best suited for peaking and balancing operation and improves reliability of the power system.

Hydro projects also have a long useful life. Some projects like Bhakra are in operation for last 50 years, while some others like Pykara (59.2 MW) & Mettur Dam (50 MW) in Tamil Nadu, Pallivasal (37.5 MW) in Kerala and Sivasamudram (42 MW) in Karnataka etc., are in existence for more than 70-80 years now.

Out of total Installed Capacity of the country ~ 393 GW, share of hydro power is at ~ 11.8%. As on 31st December 2021 India's current Hydro power Installed Capacity is 46,512.20 MW. Hydro Capacity added in the recent years - 795 MW during 2017-18, 140 MW in 2018-19, 300 MW in 2019-20, 510 MW in 2020-21 and 213 MW in 2021-22 and the future is even more promising with many upcoming projects under construction and more in pipeline. Hydro power plants have generated ~ 150 billion units of electricity during year FY 20-21.

Hydro capacity addition sector wise

Considering the unique advantages of hydropower (including pump storage projects) and increasing need of hydropower for grid stability and balancing, the government has targeted to add a total of 73 schemes with aggregate installed capacity of ~30,000 MW (includes pump storage scheme of 12730 MW). There are few projects under construction which will add 12,663.5 MW till 2025-26.

The following is the anticipated commissioning schedule of under construction hydro power projects:

Year	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Capacity Under Construction (MW)	300*	2,060	4,057.5	2,961	3,285	12,663.6

* Rongnichu HEP (113 MW) & Sorang HEP (100 MW) have already been commissioned in 2021-22 till 31.12.2021.

Source: Ministry of Power AR22

Reforms in Hydro Power Sector: Government Policy Measures to promote Hydro Power Sector - March 2019:

- i) Declaring Large Hydro Power (LHPs) (> 25 MW projects) as a Renewable Energy source.
- ii) Hydro Purchase Obligation (HPO) as a separate entity within the Non-solar Renewable Purchase Obligation (RPO).
- iii) Tariff rationalization measures for bringing down hydro power tariff.
- iv) Budgetary Support for Flood Moderation/Storage Hydro Electric Projects (HEPs).
- v) Budgetary Support for the Cost of Enabling Infrastructure, i.e. roads/bridges.
 - a. ₹ 15 million per MW for projects upto 200 MW.
 - b. ₹ 10 million per MW for projects above 200 MW.
- vi) To facilitate takeover of stalled projects, an Evaluation Committee has been constituted on 04.01.2022 to ensure appropriate valuation of the Hydro projects stalled at the initial stage and sought to be taken over by Central Public Sector Undertaking (CPSUs).

As a result of these measures, the capital cost as well as the project tariff would be reduced in initial years which would improve project viability & saleability.

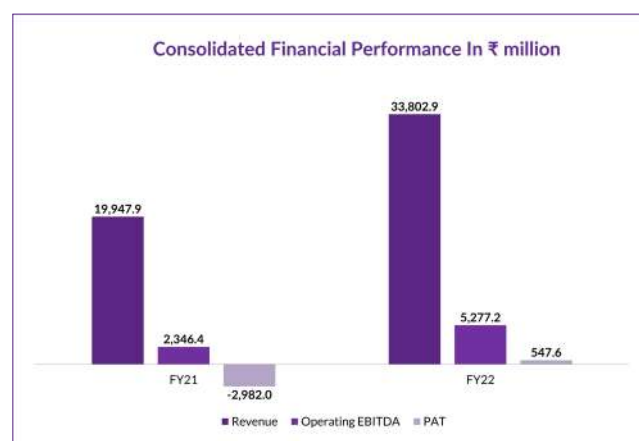
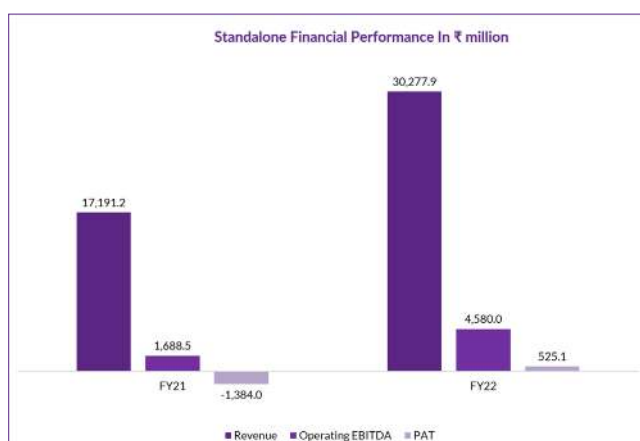
(Source: Ministry of Power AR22)

Road Sector

Over the past 4 years, the budgetary support for the road and bridges sector has steadily increased by more than 58 percent. Roads and bridges will make up 18% of the National Infrastructure Pipeline that the government has announced. The length of National Highways has increased by 50% in the past seven years, from 91,287 km (as of April 2014) to 1,46,440 km (as of March 2022). Highway construction has increased from 27 km/day in 2019–20 to 39 km/day in 2021–2022, with a greater emphasis on timely project execution. Additionally, due to the exponential growth in urban traffic over the years, the government has moved its attention to creating a number of new elevated corridor and flyover projects around large cities with the primary goal of clearing congestion on urban roads and highways.

Under the National Infrastructure Plan, the government has proposed expanding the National Highway network by 60,000 km by 2025 in strategic locations, major economic corridors, and major cities like Delhi, Chennai, Kolkata, Mumbai, and Bengaluru. This expansion will require an investment of ₹ 20.33 trillion, while a daily average of 39 km of road construction per day was attained in March 2022, the government has set a lofty goal of building 25,000 km of national highways during the upcoming fiscal year as part of the PM Gati Shakti National Master Plan.

Patel Engineering Limited (PEL) Developments



Revenues from operations of the Company for FY22 increased by almost 76.12% to ₹ 30,277.9 million as compared to ₹ 17,191.2 million in FY21 on a standalone basis and on a consolidated basis Revenue has increased by 69.46% to ₹ 33,802.9 million from ₹ 19,947.9 million.

For FY22 standalone Operating EBITDA stood at ₹ 4,580.0 million against ₹ 1,688.5 million growth of 171.25% and on a consolidated basis Operating EBITDA stood at ₹ 5,277.2 million against ₹ 2,346.4 million growth of 124.91%.

For FY22 standalone PAT stood at ₹ 525.1 million against Net loss of ₹ 1,384.0 million and on a consolidated basis PAT stood at ₹ 547.6 million against Net loss of ₹ 2,982.0 million.

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 Covid 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 there was adequate working capital required to get operations back to full normalcy in a short span. The results of the same can be seen from the performance of the Company in FY 22. The Order book of the Company as on March 31, 2022 is ₹ 1,50,115 million and post year end Company has further converted L1 into orders of approx. ₹ 28,800 million, Further, the Company expects to improve its order book further going forward. Our Company focuses on bidding for projects of reputed clients which can be funded from client advances and hence results in efficient working capital management.

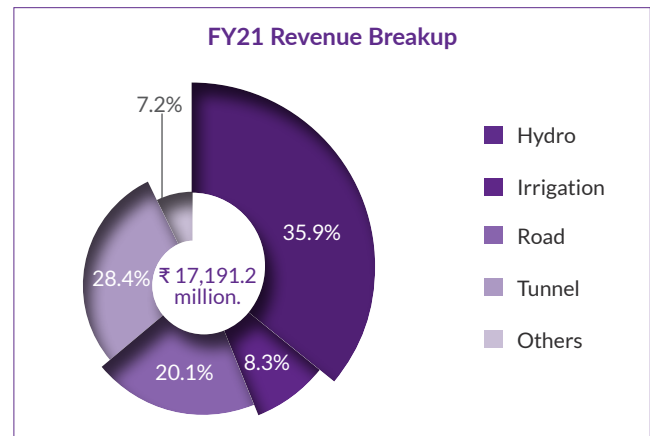
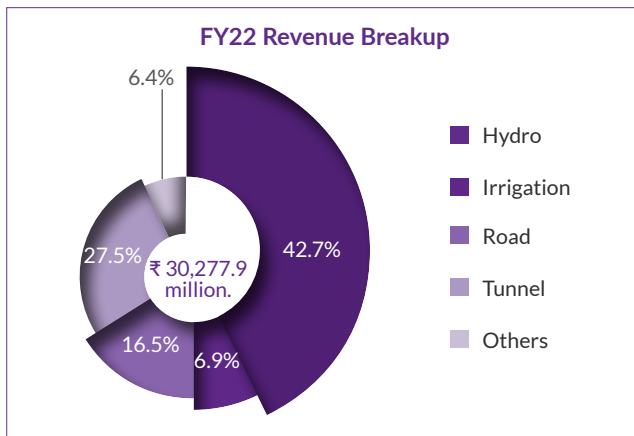


The Company has plans to merge 14 of its subsidiaries with itself, which will reduce various costs incurred for compliance for these subsidiaries and ensure that we get synergies of operations throughout with no duplication post-merger. The said merger which is in the final stages of approval, shall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

Apart from the above, 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.

Sector Wise Performance



Hydro Power business contributed 42.7% amounting to ₹ 12,922.0 million against ₹ 6,167.6 million in FY21, growth of 109.5%

Irrigation business contributed 6.9% amounting to ₹ 2,093.6 million against ₹ 1,434.2 million in FY21, growth of 46.0%

Road business contributed 16.5% amounting to ₹ 5006.5 million against ₹ 3,463.1 million in FY21, growth of 44.6%

Tunnel business contributed 27.5% amounting to ₹ 8,319.0 million against ₹ 4,883.1 million in FY21, growth of 70.4%

Other business contributed 6.4% amounting to ₹ 1,936.8 million against ₹ 1,243.2 million in FY21 growth of 55.8%

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, tunnelling and urban infrastructure segments to bid for projects in which the Government is investing funds..

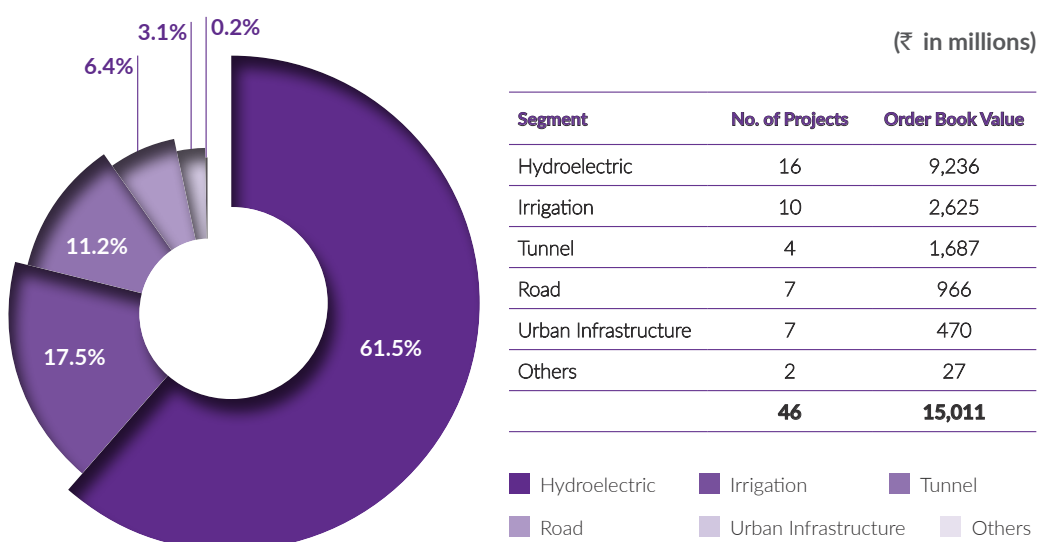
Business Development

- New orders received in FY 22
 - Package Lot-II - Construction of Balance Civil Works for Underground Power House & Transformer Convern, Part of HRT-I & HRT-II, Surge Shafts, Pressure Shafts & Adits TRT and other Associated Structures etc. of Teesta - Vihe Project, Sikkim.(₹ 12,510.0 million)

- Execution of the work of Hindoli - Nainwa Water Supply Project Dist. Bundi from Chambal to Bhilwara WSP (PHASE -I) on Lumsum basis single Responsibility Turnkey Job with 01 year Defect Liability period followed by 10 year O & M, Tehsil - Hindoli & Nainwa, Dist - Bundi NIT NO: 01/2021-22. (₹ 3,541.4 million)
- Construction of Four Laning of Part of Ramban to Banihal Section of NH-1A (Now NH-44), connecting with Existing Tunnel - T4) including construction of Twin Tube Tunnel (Package-II) in the UT of Jammu & Kashmir on EPC Mode. (₹ 3,384.0 million)
- Survey, Design, Supply, Installation, Testing and commissioning of Micro Irrigation System under Tumkur Branch Canal on Turnkey basis - TBC- Drip- Package-I. (₹ 2,994.1 million)
- Engineering, Procurement and Construction (EPC) Contract for Execution of Micro irrigation scheme for Wadala Branch & Tail Branch under Mokhabardi Lift irrigation scheme as Turnkey Project for irrigation with Pipe Distribution network and micro irrigation system . (₹ 756.7 million)

Order book position

The position improved to ₹ 1,50,115.0 million as on March 31, 2022 from ₹ 1,44,668.3 million as on March 31, 2021.



Projects Update

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

Hydro Power / Tunnelling

- Subansiri HEP
- IRCON T2 & T15 (Railway Tunnel)
- Kiru HEP
- Luhri HE Project
- Arun HE Project
- Teesta HEP
- Shongtong HEP

Irrigation

- Gond Irrigation Project
- Sleemanabad Carrier Canal
- Morand & Ganjal Dam
- Khalwa Micro Lift Irrigation



Transportation

- Shivane to Mhatre bridge
- Selapass Road and Tunnel
- Katraj Kondwa Road

Urban Infrastructure

- Amarmahal to Trombay Tunnel
- Hindoli - Nainwa Water Supply Project
- RVNL Project
- Gwalior- Sheopurkalan Earthwork.

Asset Ownership:

Hydro Power Projects – The Gongri H.E. Project is terminated and the Company has also settled the debt of the lenders for this project. The Company has filed an arbitration claim against the Govt. of Arunachal Pradesh in respect of this project. The Company shall now focus only on E&C business.

Thermal Power Projects – The thermal power projects have been currently kept on hold.

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 on Varanasi-Shaktinagar Road, the toll collection period is presently on.

Transmission Asset –The Project – Raichur Sholapur Transmission Co. Pvt. Ltd. is an SPV in JV with Simplex and BS Ltd. where we have 33.34% stake. During the year, the Company has refinanced the ECB loan to a rupee term loan to de-risk from foreign exchange fluctuation.

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

Real Estate:

Large amounts of land that belong to the company are mostly located in or close to the major cities of Mumbai, Hyderabad, Bangalore, and Chennai. These sites are mostly intended for residential construction.

The Company intends to sell these land parcels outright or use Joint Development Agreements (JDA) to monetize them. The Company is nearing completion of its residential project – Smondo Gachibowli located in Hyderabad.

CSR Initiatives

The Company recognizes Corporate Social Responsibility (CSR) as one of its core values by putting continuous efforts to assess and take responsibility for the Company's effects on the environment and impact on social welfare. To carry forward this endeavour, the Company has its CSR policy and frame-work in place, 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 the preceding three financial years. CSR Policy implementation is periodically reviewed and monitored by a two tiered Governance Structure consisting of Board and CSR Committee of the Board, and CSR Team consisting of Corporate Office, Project Sites.

Further, from preparation of CSR action plan to implementation and monitoring of the action plan, the Company introduced MIS for better execution

In FY 2021-22, the Company has undertaken CSR activities at its project sites at USBRL- T2, USBRL – T 15, Kiru Hydro Project, Subansiri Hydro Project, Kundah Pumped Storage Hydro Electric Project and Luhri Hydro Project in addition to providing financial assistance for sports. The CSR initiatives of the Company are provided in detail under the Report of CSR forming part of the Board's report.

Internal Control System

The Company's internal control system is sufficient for preventing loss, unlawful use, and disposal of its assets. The management is informed of and given proper authorization for all transactions. The Company maintains its books of accounts and reports financial statements in accordance with all applicable accounting standards. The Company has hired internal auditors to examine several aspects of the Company's operations. Management and the Board's Audit Committee periodically evaluate the audit reports.

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

The Company's main emphasis is on performance enhancement in relation to important aspects including resource utilisation, quality management, safety measures, environmental protection, human resource development, and design engineering. Customer satisfaction, work effectiveness, and time management are the fundamental tenets.

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 the Company 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 of 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.

The Company has clearly defined processes for carrying out different responsibilities because as we firmly believe in doing so and are committed to providing our clients with quality services. In our management review sessions, we regularly inspect our operations, identify flaws, and provide solutions. This builds a strong system in and around the periphery of the organization.

Information Technology Services.

Technology is the single biggest driver of change in companies today.

The Company entered 2021 with a series of clear but ambitious goals: to strengthen our architecture, simplify our operations, and broaden our ecosystem; taking a series of dramatic steps and as a result, we enter 2022 more strategically focused and more technologically capable. We are integrating technology and expertise and our Company is nimbler, focused, and positioned for sustainable growth.

Our financial performance reflects our ability to execute against these goals, digital technology provides tangible business outcomes at speed and scale, including improved productivity and customer experiences to maintain a competitive advantage and to execute on our growth strategy.

Our efforts have been designed to accelerate the delivery of value to our employees and partners, part of a larger cultural shift at The Company toward client-centricity. The Company has been investing in cloud for a decade. When we saw a year ago that the pandemic would accelerate our move to the cloud, we created PEL 'Cloud First' to connect all of our capabilities.

We are dependent on information technology networks and systems to securely process, transmit and store electronic information and to communicate among our locations and with our people, clients, alliance partners and vendors. As the breath and complexity of this infrastructure continues to grow, including as a result of the increasing reliance on, and use of, mobile technologies, social media and cloud-based services, and as more of our employees are working remotely during the coronavirus pandemic, the risk of security incidents and cyberattacks has increased. While the Company is in a time of profound digital transformation with ongoing exponential technology change, the Company has defined a clear plan to build its digital core to drive enterprise-wide transformation, such as moving to the cloud, leveraging data and embedding security and sustainability across the enterprise.



The Company is executing this plan based on its unique ability to study the detailed requirements of the business, combined with our unmatched industry experience to learn from its past successes and challenges to improve on business processes and provide the latest technology and expertise to create value for its employees and partners.

Human Resources Department

Everything we do, we do better together. The Company with a large workforce of 4,273 permanent employees, attracts, develops, engages and retains talent in a dynamic and competitive environment. The Company is continuously transforming and developing its talent, both through learning and hiring. A diverse and inclusive workplace leads to greater innovation, agility, performance, and engagement, enabling both business growth and societal impact. The Company ensure employees from diverse backgrounds are engaged, can be their authentic selves, build skills and grow their careers. We listen and learn with curiosity to strive forward as a team, generously sharing knowledge along the way. We champion an inclusive culture of openness, fairness, trust and respect where all people feel a sense of belonging – regardless of who you are or where you come from.

Our human resources management is geared to finding the right people for each project and securing their loyalty to the Group on a lasting basis. Our success is dependent, in large part, on our ability to keep our supply of market-leading skills and capabilities in balance with the business demand and our ability to attract and retain personnel with the knowledge and skills to lead our business. Our profitability depends on our ability to effectively source and staff people with the right mix of skills and experience to perform services for our projects, including our ability to transition employees to new assignments on a timely basis.

We are committed to ongoing training and invest in individual development. This includes developing talent by continuously developing and upgrading skills, developing leaders who will drive our ambition forward leadership capabilities and ensuring we have an engaged, diverse, and flexible workforce.

As our organization grows and evolves, it is important to maintain effective standards across a large enterprise and effectively institutionalize our knowledge and to effectively change the strategy, operations or culture of our Company in a timely manner. When you join the Company you're not put in a box. We don't tell you how to do things. We tell you what needs to be done. We want everyone to be creative, we want them to find their own way, provided it's aligned with our culture, values and direction, It is also extremely important to maintain our culture, effectively manage and monitor our personnel and operations and effectively communicate our core values, policies and procedures, strategies and goals; we are very proud to highlight that with our last digital initiative of our company HR Portal we have been successful in this endeavour. To assist employees and encourage and enable them to learn and grow their careers, we will be enabling our 'Cloud Campus' internal digital learning and training platform at the end of FY 2022-23.

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 know 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."

Board's Report

Board's Report

To the Members of Patel Engineering Limited,

Your Directors hereby present the 73rd Board's Report on the business, operations and state of affairs of the Company together with the audited financial statements for the year ended March 31, 2022:

FINANCIAL PERFORMANCE

Standalone and Consolidated

(₹ in million)

Particulars	Consolidated		Standalone	
	2021-22	2020-21	2021-22	2020-21
Total Revenue	34,964.95	21,039.28	31,624.40	18,624.32
Total Expenses	28,525.73	17,601.56	25,697.90	15,502.76
EBITDA	6,439.22	3,437.72	5,926.50	3,121.56
Depreciation	818.99	720.25	681.40	639.06
Finance Cost	4,195.27	4,013.92	3,933.60	3,693.83
Exceptional Item	304.94	2,141.66	463.60	939.13
Profit / (Loss) before tax	1,120.02	(3,438.12)	847.90	(2,150.46)
Tax expenses	433.77	(708.85)	322.92	(766.48)
Share in profit / (loss) in associates (net)	32.23	(178.21)	-	-
Net Profit / (Loss) after tax	718.49	(2,907.47)	525.06	(1,383.98)
Other Comprehensive Income (Net)	(72.43)	45.28	8.49	(37.49)
Total comprehensive income for the year	646.06	(2,862.19)	533.55	(1,421.47)
Earnings per equity shares ₹ (face value ₹ 1 each)				
- Basic	1.51	(6.78)	1.11	(3.23)
- Diluted	1.49	(6.78)	1.11	(3.23)

Consolidated:

The Consolidated total income for FY 2022 stood at ₹ 34,964.95 million as against ₹ 21,039.28 million for the previous year. The Net profit for the year ended March 31, 2022 was at ₹ 718.49 million as against Net Loss of ₹ 2,907.47 million for the previous year.

Standalone:

On Standalone basis, the total income for FY 2022 stood at ₹ 31,624.40 million as against ₹ 18,624.32 million for the previous year. The Net Profit for the year ended March 31, 2022 was at ₹ 525.06 million as against Net Loss of ₹ 1,383.98 million for the previous year.

Dividend

To conserve funds, the Directors have not recommended payment of dividend for the financial year 2021-22.

Pursuant to Regulation 43A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Dividend Distribution Policy is available on the website of the Company at the link: <https://tinyurl.com/54cvkwz9>.



Share Capital

During the year under review, 1,37,77,470 Equity Shares of the face value of ₹ 1 each were allotted on conversion of debt into equity at a conversion price of ₹ 14.78. No shares were allotted to the promoter group during the year under review.

Consequently, as at March 31, 2022, the total paid-up share capital of the Company stood at ₹ 47,92,30,494 divided into 47,92,30,494 Equity Shares of ₹ 1 each.

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, forming part of the Annual Report and is in accordance with the Listing Regulations.

Merger of Subsidiaries

During 2020-21, Company filed merger applications with Honorable National Company Law Tribunals (NCLT/Tribunal), Mumbai and Hyderabad for 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.

Due to the Covid pandemic, the process of merger got delayed. The Company is expecting completion of merger by July 2022.

Borrowing

The total long-term borrowings stood at ₹ 19,907.07 million as on March 31, 2022 as against ₹ 19,187.38 million as on March 31, 2021.

Subsidiaries & Associates

As on March 31, 2021, the Company has 67 subsidiaries including step down subsidiaries.

During the year under review, Apollo Buildwell Private Limited and Naulo Nepal Hydro Electric Private Limited ceased to be subsidiaries of the Company on account of sale/disinvestment.

Highlights of performance of key subsidiaries/Associates

Michigan Engineers Private Limited (Michigan) having presence in urban infrastructure Projects, mostly for Municipal Corporation of Greater Mumbai (MCGM) has surpassed revenues of ₹ 2,900 million and profit of ₹ 219.50 million in FY 2022. It has an order book totaling to about ₹ 10,000 million. Michigan successfully completed its first segment tunnel of 1,857 meter in January 2022 under its TBM contract of ₹ 1,710 million. The Company is looking to monetize and hive-off its stake in this company at a right valuation.

Raichur Sholapur Transmission Company Private Limited (RSTCPL) commissioned 765 kV single circuit transmission line between Raichur and Sholapur in July 2014. The Project is promoted by the Company along with Simplex Infrastructure Ltd and BS Ltd. The Project achieved transmission line availability of 99.48% in FY 2022, 98.72% in FY 2021, 98.46% in FY 2020. During the FY 2022, the Lenders refinanced the outstanding ECB into Rupee Term Loan (RTL), as envisaged during implementation of the 5/25 scheme as per the RBI guidelines in September 2017. The project is currently under operation and the debt obligation is timely serviced by RSTCPL. The Company along with the other promoters is in final stages of discussion with the potential Buyer for 100% divestment from the project.

Dirang Energy Private Limited (Dirang), a Special Purpose Company for development of 144MW Gongri Hydroelectric Power Project in West Kameng district in Arunachal Pradesh. Pursuant to the termination order for the said project by Govt. of Arunachal Pradesh in earlier years, the Guwahati High Court had passed a stay order dated 29.06.2018 on the said termination notice and also its

consequential effects. Further, the Guwahati High Court in its order dated 22.01.2021 has directed the parties to start the Arbitration proceedings in the matter which has commenced subsequently. Meanwhile the parent company has settled the lenders dues of this entity.

The status of *Patel KNR Infrastructure Ltd* 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.

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 Company has completed substantial work in the towers except for some finishing works of podium, external painting, amenity block etc. The Company has applied for Occupation Certificate for the said project and the same is being made ready for final possession and some flat owners have also started fit-outs in their respective flats.

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. Meanwhile, the Company is studying the technical feasibility and economic viability of any other relevant project so that the land parcel available could be put to a gainful use.

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 GOM had terminated the lease without assigning any reason. After termination of the project, the Company had issued a notice of arbitration to GOM for expropriation of investment under bilateral treaty between India and Mauritius for promotion and protection of investment in both countries. Currently the arbitration process is going on at permanent court of arbitration Hague. Final hearing was completed in May 2022. The Company is awaiting award from Tribunal.

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 Boards' 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 the Listing Regulations, 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/235xsrwx>.

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 is forming part of this Report and is provided in Form AOC-2 as **Annexure II**. 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 the Listing Regulations, the Company has formulated the Related Party Transactions policy and the same is uploaded on Company's website at the link: <https://tinyurl.com/2p94jfyw>.

Directors and Key Managerial Personnel

i. Independent Directors

During the year under review, Ms. Geetha Sitaraman ceased to be an Independent Director of the Company effective March 25, 2022 due to completion of her second term as an Independent Director. The Board acknowledged her contribution to the Company arising out of her decades' long rich experience.

The Board appointed Ms. Sunanda Rajendran as an Independent Director effective from March 24, 2022. Her appointment is subject to approval of members for which Postal Ballot Notice date May 13, 2022 was circulated to the members for approval.

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. Further, Board confirms compliance with the Code of Conduct for Directors and senior management personnel formulated by the Company.

ii. Other Directors / Key Managerial Personnel

Ms. Kavita Shirvaikar retires by rotation at the ensuing Annual General Meeting and being eligible, offer herself for re-appointment.

The Members of the Company at the 72nd AGM held on September 15, 2021, approved the re-appointment of Ms. Kavita Shirvaikar and Mr. Sunil Sapre as whole time Directors of the Company for a further period of 5 years with effect from April 1, 2022.

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 year ended March 31, 2022, the Board met 5 times. The meeting of the Board of Directors of the Company were held on June 11, 2021, August 6, 2021, November 1, 2021, December 20, 2021 and February 9, 2022.

Nomination and Remuneration Policy

The Company has formulated a Nomination and Remuneration Policy pursuant Section 178 of the Companies Act, 2013 and the Listing Regulations. The salient features of the Policy is enclosed as **Annexure III** to the Boards' Report.

Evaluation of the performance of the Board

Based on Boards' 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 the Listing 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 presently comprises of:

Mr. K. Ramasubramanian- Independent Director (Chairman of the Committee)

Mrs. Geetha Sitaraman- Independent Director (till March 25, 2022)

Mr. Rupen Patel – Chairman & Managing Director

Mr. Barendra Bhoi – Independent Director (from March 25, 2022)

Whistle Blower Policy

The Company has adopted a Whistle Blower Policy to comply with the principles of Business Responsibility and Sustainability Reporting (BRSR) 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 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 - Whole time Director & CFO

Mr. K. Ramasubramanian - Independent Director

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 IV**. 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.



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.

Branch Audit

In accordance with the provisions of Section 139 and 143(8) of the Companies Act, 2013 M/s. N. H. Karnesh & Associates has been appointed 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 2021-22.

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, 2022. The Report of the Secretarial Auditor is provided as **Annexure V** to this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remarks or disclaimer.

In terms of Regulation 24A of Listing Regulations, the Secretarial Audit Report of Michigan Engineers Private Limited, the Material Unlisted Subsidiary of the Company for the year ended March 31, 2022 also forms part of this Report.

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, 2022. 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 VI** to this Report.

Annual Return

Pursuant to Section 92 and 134 of the Act, the Annual Return as at March 31, 2022 in Form MGT-7, is available on the website of the Company at <https://tinyurl.com/5aazu6md>.

Disclosure under Section 197 of the Companies Act, 2013

In accordance with the provisions of Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the particulars of the employees are set out in the annexure to this Report. In terms of the provisions of Section 136 of the Act,

the Report is being sent to the Members of the Company excluding the annexure. Any member interested in obtaining a copy of the annexure may write to the Company Secretary at the Registered Office of the Company.

Further, disclosures on managerial remuneration as required under Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided as **Annexure VII** to this Report.

Corporate Governance

Pursuant to the Listing Regulations, 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 2007 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, 2022 is uploaded on the Company’s website at the link <https://tinyurl.com/y98ezsj5>.

A Certificate from the Secretarial 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 Boards’ 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.
- iv) The Company has complied with the Secretarial Standard issued by the Institute of Company Secretaries of India.
- v) No fraud has been reported by the Auditors, to the Audit Committee and the Board.
- vi) There is no Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016.

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 and 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, 2022;
- 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.

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/-

May 23, 2022
Mumbai

Rupen Patel
Chairman & Managing Director
DIN: 00029583

Annexure I - Form No. AOC - 1

Statement containing the salient features of the financial statements of Subsidiaries

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

PART A: SUBSIDIARIES

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	Prof/(Loss) before Taxation	Provision for Taxation	Prof/(Loss) after Taxation	Dividend	Country	Investments by PEL (Directly/Indirectly)	% of Shareholding
DIRECT SUBSIDIARIES																
1	Zeus Minerals Trading Pvt. Ltd.	1-Apr-2009	-	INR	0.60	(99.21)	88.71	88.71	-	(98.75)	-	(98.75)	NIL	India	0.60	100.00
2	Patel Concrete & Quarries Pvt. Ltd.	10-Mar-2008	-	INR	1.00	(85.98)	107.61	107.61	-	(85.53)	-	(85.53)	NIL	India	1.00	100.00
3	Friends Nirman Pvt. Ltd.	14-Jun-2010	-	INR	0.33	21.31	21.65	21.65	-	(0.24)	-	(0.24)	NIL	India	0.33	100.00
4	Energy Design Pvt. Ltd.	15-Jun-2009	-	INR	0.50	(70.12)	1.72	1.72	-	(0.14)	-	(0.14)	NIL	India	0.50	100.00
5	Shreeanant Constructions Private Limited	10-Dec-2005	-	INR	0.10	(47.79)	68.21	68.21	-	(0.09)	0.88	(0.97)	NIL	India	0.10	100.00
6	Patel Lands Ltd.	25-Aug-2010	-	INR	0.50	(39.16)	23.45	23.45	-	(38.93)	-	(38.93)	NIL	India	0.50	100.00
7	Michigan Engineers Pvt. Ltd.	1-May-1973	-	INR	17.36	1,651.99	2,663.61	2,663.61	-	2,877.15	75.13	222.10	NIL	India	0.89	51.00
8	Patel Engineering Infrastructure Ltd.	30-Jun-2006	-	INR	100.00	8.69	905.58	905.58	100.06	-	-	-	NIL	India	100.00	100.00
9	Patel Energy Resources Ltd.	18-Mar-2008	-	INR	4,128.88	(1,733.20)	3,715.12	3,715.12	2,021.14	-	(8.58)	-	(8.58)	India	4,128.88	100.00
10	Pandora Infra Pvt. Ltd.	28-Jun-2012	-	INR	70.00	(266.40)	387.76	387.76	-	(263.62)	-	(263.62)	NIL	India	70.00	100.00
11	Patel Engineers Pvt. Ltd.	2-Jul-2012	-	INR	91.00	(60.29)	35.36	35.36	35.28	(49.30)	(0.06)	(49.24)	NIL	India	91.00	100.00
12	Patel Patron Pvt. Ltd.	28-Jun-2012	-	INR	140.70	39.31	193.52	193.52	-	194.48	56.67	15.31	41.36	India	140.70	100.00
13	Vismaya Constructions Pvt. Ltd.	21-May-2007	-	INR	55.10	21.74	105.51	105.51	-	145.23	30.51	7.57	22.95	India	55.10	100.00
14	Bhooma Realities Pvt. Ltd.	22-May-2007	-	INR	72.10	(42.78)	193.54	193.54	-	223.90	(66.63)	(0.62)	(66.01)	India	72.10	100.00
15	Shashwat Land Projects Pvt. Ltd.	21-Jun-2007	-	INR	78.80	(106.49)	290.90	290.90	-	176.58	(104.97)	-	(104.97)	India	78.80	100.00
16	Patel KNR Infrastructure Limited	26-Jun-2006	-	INR	370.00	133.83	2,558.89	2,558.89	164.89	407.28	(19.51)	3.74	(23.25)	India	22.20	60.00
17	Hampus Infrastructure Pvt. Ltd.	27-Mar-2018	-	INR	0.10	(0.41)	0.02	0.02	-	(0.13)	-	(0.13)	NIL	India	0.10	100.00
18	Heera Realcon Pvt. Ltd.	28-Dec-2006	-	INR	0.50	(1.64)	0.16	0.16	-	(0.05)	-	(0.05)	NIL	India	0.50	97.13
19	PBSR Developers Pvt. Ltd.	1-Feb-2012	-	INR	0.10	(50.07)	4,242.93	4,242.93	-	7.57	(1.82)	(1.94)	NIL	India	0.10	100.00
20	Arsen Infra Pvt. Ltd.	5-Sep-2006	-	INR	0.50	1.33	21.17	21.17	5.00	(0.07)	-	(0.07)	NIL	India	0.50	100.00
21	Waterfront Developers Ltd.	18-Jan-2007	-	INR	0.16	(9.33)	1,287.75	1,287.75	0.10	(0.60)	-	(0.60)	NIL	Mauritius	0.16	100.00
22	Patel Engineering (Singapore) Pte Ltd.*	29-Aug-2007	-	1 USD= 75.587429 INR	178.76	(0.07)	222.32	222.32	-	5.16	-	5.16	NIL	Singapore	178.76	100.00
23	Patel Engineering (Mauritius) Ltd.*	18-Jan-2007	-	1 USD= 75.587429 INR	37.79	(55.12)	366.91	366.91	35.15	(11.38)	-	(11.38)	NIL	Mauritius	37.79	100.00
24	Patel Engineering Inc.*	30-Sep-1999	-	1 USD= 75.587429 INR	640.03	(556.61)	83.41	83.41	1.20	(0.28)	-	(0.28)	NIL	USA	640.03	100.00
25	Patel Engineering Lanka (Pvt.) Ltd.*	16-Jan-2012	-	1 LKR= 0.257068 INR	11.90	(7.47)	29.09	29.09	2.82	(0.04)	-	(0.04)	NIL	Sri Lanka	11.90	100.00
SUBSIDIARY OF ARSEN INFRA PVT. LTD.																
26	Lucina Realtors Pvt. Ltd.	30-Dec-2006	-	INR	5.50	(0.29)	5.24	5.24	4.35	(0.24)	-	(0.24)	NIL	India	0.50	9.09
SUBSIDIARY OF PATEL ENGINEERS PVT. LTD																
27	Piedra Projects Pvt. Ltd.	5-Sep-2006	-	INR	27.71	(20.80)	113.77	113.77	-	121.81	(13.73)	6.61	(20.35)	India	27.71	100.00
SUBSIDIARIES OF PATEL ENERGY RESOURCES LTD.																
28	Patel Energy Ltd.	17-Sep-1996	-	INR	186.45	(18.81)	1,194.25	1,194.25	-	22.81	2.86	2.14	NIL	India	186.43	99.99
29	Patel Energy Operations Pvt. Ltd.	3-Jun-2008	-	INR	0.73	3.43	4.20	4.20	-	3.43	-	3.43	NIL	India	0.73	100.00
30	Patel Energy Projects Pvt. Ltd.	3-Jun-2008	-	INR	0.10	2.99	3.13	3.13	-	2.99	-	2.99	NIL	India	0.10	100.00
31	Patel Energy Assignment Pvt. Ltd.	26-Jun-2008	-	INR	0.10	2.25	2.39	2.39	-	2.25	-	2.25	NIL	India	0.10	100.00
32	PEL Power Ltd.	5-Sep-2006	-	INR	1,380.81	1,222.22	2,713.44	2,713.44	-	1,222.51	-	1,222.51	NIL	India	1,380.81	100.00
33	PEL Port Pvt. Ltd.	17-Jul-2008	-	INR	89.46	3.36	93.07	93.07	-	3.36	-	3.36	NIL	India	89.46	100.00
34	Patel Thermal Energy Pvt. Ltd.	18-Feb-2011	-	INR	0.50	2.06	2.59	2.59	-	2.06	-	2.06	NIL	India	0.50	100.00
35	Jayshe Gas Power Pvt. Ltd.	24-Dec-2010	-	INR	0.10	2.24	2.35	2.35	-	2.24	-	2.24	NIL	India	0.10	100.00
36	Patel Hydro Power Pvt. Ltd.	29-Nov-2010	-	INR	362.88	(579.97)	981.50	981.50	229.49	2.91	0.79	2.12	NIL	India	362.88	100.00



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	Prof/ (Loss) before Taxation	Provision for Taxation	Prof/ (Loss) after Taxation	Proposed Dividend	Country	Investments by PEL (Directly/ Indirectly)	% of Shareholding
SUBSIDIARIES OF PATEL HYDRO POWER PVT. LTD.																	
37	Durang Energy Pvt. Ltd.	23-Jun-2008	-	INR	710.00	(4.81)	712.12	712.12	-	-	(6.65)	0.01	(6.66)	NIL	India	710.00	100.00
38	West Kaimeng Energy Pvt. Ltd.	26-Jun-2008	-	INR	0.10	-	225.20	225.20	-	-	-	-	-	NIL	India	0.10	100.00
39	Meyong Hydro Power Pvt. Ltd.	26-Jun-2008	-	INR	0.73	-	248.18	248.18	-	-	-	-	-	NIL	India	0.73	100.00
40	Digni Hydro Power Pvt. Ltd.	2-Jul-2008	-	INR	0.10	-	289.91	289.91	-	-	-	-	-	NIL	India	0.10	100.00
41	Saskang Rong Energy Pvt. Ltd.	19-Aug-2008	-	INR	4.78	-	228.92	228.92	-	-	-	-	-	NIL	India	4.78	100.00
SUBSIDIARY OF WATERFRONT DEVELOPERS LTD																	
42	Les Salines Development Ltd.*	28-Mar-2008	-	INR	0.13	(534.86)	901.09	901.09	0.00	-	(65.39)	-	(65.39)	NIL	Mauritius	0.13	100.00
SUBSIDIARY OF LES SALINES DEVELOPMENT LIMITED																	
43	La Bourgade Development Ltd.*	14-Jul-2008	-	INR	0.00	(2.57)	0.04	0.04	-	-	(0.22)	-	(0.22)	NIL	Mauritius	0.00	100.00
44	Ville Magnifique Development Ltd.*	14-Jul-2008	-	INR	0.00	(2.38)	0.00	0.00	-	-	(0.21)	-	(0.21)	NIL	Mauritius	0.00	100.00
45	Sur La Plage Development Ltd.*	18-Jul-2008	-	INR	0.00	(2.54)	0.00	0.00	-	-	(0.20)	-	(0.20)	NIL	Mauritius	0.00	100.00
SUBSIDIARIES OF PATEL ENGINEERING (SINGAPORE) PTE LTD.																	
46	Patel Surya (Singapore) Pte Ltd.*	10-Dec-2007	-	1 USD = 75.587429 INR	75.59	(75.59)	-	-	-	-	-	-	-	NIL	Singapore	45.35	60.00
47	PT Patel Surya Jaya *	10-Oct-2008	-	1 IDR = 0.005266 INR	14.45	(107.17)	847.02	847.02	-	-	6.58	-	6.58	NIL	Indonesia	8.67	60.00
48	PT Patel Surya Minerals *	12-Nov-2008	-	1 IDR = 0.005266 INR	14.43	69.91	220.36	220.36	-	-	0.37	-	0.37	NIL	Indonesia	8.66	60.00
49	PT Surpat Geo Minerals *	7-Apr-2011	-	1 IDR = 0.005266 INR	29.05	(29.26)	0.29	0.29	-	-	0.00	-	0.00	NIL	Indonesia	17.43	60.00
50	PT PEL Minerals Resources *	3-Feb-2009	-	1 USD = 75.587429 INR	14.59	(36.36)	39.85	39.85	28.89	-	0.17	-	0.17	NIL	Indonesia	14.59	100.00
SUBSIDIARY OF PATEL SURYA (SINGAPORE) PTE LTD																	
51	PT Surya Geo Minerals *	23-May-2011	-	1 IDR = 0.005266 INR	29.05	141.84	245.68	245.68	-	-	(2.78)	-	(2.78)	NIL	Indonesia	17.43	60.00
SUBSIDIARY OF PT PEL MINERAL RESOURCES																	
52	PT Patel Engineering Indonesia *	23-May-2011	-	1 IDR = 0.005266 INR	29.05	(12.09)	425.90	425.90	-	-	(0.33)	-	(0.33)	NIL	Indonesia	29.05	100.00
SUBSIDIARY OF PATEL ENGINEERING (MAURITIUS) LTD																	
53	Patel Mining (Mauritius) Ltd.*	12-Jun-2008	-	1 USD = 75.587429 INR	35.15	(25.24)	125.62	125.62	203.49	-	(0.18)	-	(0.18)	NIL	Mauritius	35.15	100.00
SUBSIDIARY OF PATEL MINING (MAURITIUS) LTD																	
54	Accord Mines Venture Lda *	7-Jul-2007	-	1 MZN = 1.184325 INR	0.03	(14.64)	-	-	-	-	0.75	-	0.75	NIL	Mozambique	0.03	100.00
55	Patel Mining Assignments Lda *	7-Jul-2007	-	1 MZN = 1.184325 INR	0.03	(2.24)	23.67	23.67	-	-	0.81	-	0.81	NIL	Mozambique	0.03	100.00
56	Chivaro Mines Mozambique Lda *	7-Jul-2007	-	1 MZN = 1.184325 INR	0.03	(3.61)	-	-	-	-	0.10	-	0.10	NIL	Mozambique	0.03	100.00
57	Enrich Mining Vision Lda *	7-Jul-2007	-	1 MZN = 1.184325 INR	0.03	(23.54)	-	-	-	-	1.22	-	1.22	NIL	Mozambique	0.03	100.00
58	Fortune Mines Concession Lda *	7-Jul-2007	-	1 MZN = 1.184325 INR	0.03	(37.10)	2.71	2.71	-	-	1.67	-	1.67	NIL	Mozambique	0.03	100.00
59	Metaline Mines Works Lda *	7-Jul-2007	-	1 MZN = 1.184325 INR	0.03	(13.76)	0.07	0.07	-	-	0.75	-	0.75	NIL	Mozambique	0.03	100.00
60	Netcore Mining Operations Lda *	7-Jul-2007	-	1 MZN = 1.184325 INR	0.03	(1.81)	0.26	0.26	-	-	0.15	-	0.15	NIL	Mozambique	0.03	100.00
61	Ominit Mines Enterprises Lda *	7-Jul-2007	-	1 MZN = 1.184325 INR	0.03	(2.10)	0.36	0.36	-	-	0.17	-	0.17	NIL	Mozambique	0.03	100.00
62	Patel Infrastructure, Lda *	7-Jul-2007	-	1 MZN = 1.184325 INR	0.03	(16.44)	-	-	-	-	-	-	-	NIL	Mozambique	0.03	100.00
63	Patel Mining Priviledge, Lda*	7-Jul-2007	-	1 MZN = 1.184325 INR	0.03	(9.48)	340.38	340.38	-	-	14.54	-	14.54	NIL	Mozambique	0.03	100.00
64	Quest Mining Activities, Lda*	7-Jul-2007	-	1 MZN = 1.184325 INR	0.03	(2.45)	0.00	0.00	-	-	0.17	-	0.17	NIL	Mozambique	0.03	100.00
65	Trend Mining Projects Lda*	7-Jul-2007	-	1 MZN = 1.184325 INR	0.03	(16.07)	-	-	-	-	0.75	-	0.75	NIL	Mozambique	0.03	100.00
SUBSIDIARY OF PATEL ENGINEERING INC.																	
66	ASI Global LLC*	15-Aug-2009	-	1 USD = 75.587429 INR	-	(0.78)	0.78	0.78	0.60	-	(0.15)	-	(0.15)	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 LKR = 75.587429 INR
 - 1 USD = 0.257068 INR
 - 1 MZN = 1.184325 INR
 - 1 IDR = 0.005266 INR

NAME OF ASSOCIATES AND JOINT VENTURES	JOINT VENTURES									
	Patel Siddhivinayak JV**	Patel VI JV	Patel Ghodke JV	Patel SA JV**	PEL ISC Prathamesh JV	ISC Projects PEL JV	Patel -Civet-Chaitra Mitro(KA) JV**#	Ceigall - PEL (JV)**#	VPRPL-PEL JV	Mokhabardi Micro Irrigation Project JV**#
1. Latest Audited Balance Sheet Date	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22
2. Date on which the Associate or Joint Venture was associated or acquired	12-Jun-08	21-Jan-18	11-Jun-19	6-Feb-06	8-Jan-21	2-Dec-20	28-Jun-21	2-Jul-21	26-May-21	20-Aug-19
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)	0.77	(0.92)	-	0.01	-	-	-	-	-	-
Extent of Holding (in percentage)	51%	51%	51%	75%	50%	49%	51%	40%	51%	51%
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
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
6. Networth attributable to shareholding as per latest audited Balance Sheet	0.77	(0.92)	-	0.01	-	-	-	-	-	-
7. Profit or Loss for the year: (₹i)	-	(0.26)	-	-	-	-	-	-	-	-
i. Considered in Consolidation	-	(0.26)	-	-	-	-	-	-	-	-
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

** Financial information is based on unaudited results

Not Commenced

Annexure II - FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	NA
b)	Nature of contracts/arrangements/transaction	NA
c)	Duration of the contracts/arrangements/transaction	NA
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
e)	Justification for entering into such contracts or arrangements or transactions'	NA
f)	Date of approval by the Board	NA
g)	Amount paid as advances, if any	NA
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

2. Details of material contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	PEL Power Limited, Step-down subsidiary
b)	Nature of contracts/arrangements/transaction	Land Purchase agreement
c)	Duration of the contracts/arrangements/transaction	NA
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Company has purchased the land from the step-down subsidiary at market rate.
e)	Date of approval by the Board	March 21, 2022*
f)	Amount paid as advances, if any	Full consideration of ₹ 7091.87 million discharged by the Company

*transaction approved by Audit Committee in terms of Section 188 and 177 of the Companies Act, 2013.



Annexure III - Nomination and Remuneration policy

Introduction

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.

Objective

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.

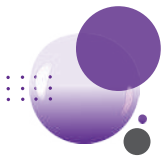
Conclusion

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 IV - Annual report on Corporate Social Responsibility (CSR) for the financial year 2021-22

1. Brief outline on CSR Policy of the Company

To lay down the guidelines for Patel Engineering Limited to enhance its relationship with society by way of social and economic contribution and by giving back to the society for the resources it used to flourish by adoption of appropriate business processes and strategies. To fulfill the directive of the Companies Act, 2013 enjoining prescribed companies to develop and implement a CSR policy specifying the activities to be undertaken by the Company. Also, to prepare list of activities, programmes and projects to be undertaken during the implementation year, specifying modalities of execution and implementation schedules for the same.

In FY 2021-22, the Company had undertaken CSR activities at its project sites. 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 2021-22 are local area development near the project site through maintenance of public roads, providing clean water for local consumption, aid to school for installation of computer Labs, maintenance of school grounds, extending support to the locals/ villagers around the Project sites during the Covid Pandemic by providing ambulance services, medicines, sanitizing materials, beds etc. The Company has also provided relief and rehabilitation to victims of flood affected area near a project site.

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. K Ramasubramanian	Independent Non-Executive Director	03	03
2	Mr. Rupen Patel	Chairman & Managing Director	03	03
3	Ms. Kavita Shirvaikar	Whole time Director & CFO	03	03

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:

CSR committee: <https://tinyurl.com/ys8aj7xw>

CSR Policy: <https://tinyurl.com/39az75eu>

CSR projects approved by the Board: <https://tinyurl.com/3d8f7ubw>

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 ₹)
1.	2021-22	NIL	NIL

6. Average net profit of the Company as per section 135(5): ₹ 341.23 Million

7. (a) Two percent of average net profit of the Company as per section 135(5): ₹ 6.82 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): ₹ 6.82 Million

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

Total Amount Spent for the Financial Year. (in ₹)	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.
17.96 Million	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
As mentioned under in Annexure IV(a)								NA	NA

- (d) Amount spent in Administrative Overheads: NIL
- (e) Amount spent on Impact Assessment, if applicable: Not Applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 17.96 Million
- (g) Excess amount for set off, if any:

Sl. No.	Particular	Amount (₹ In millions)
(i)	Two percent of average net profit of the Company as per section 135(5)	6.82
(ii)	Total amount spent for the Financial Year	17.96
(iii)	Excess amount spent for the financial year [(ii)-(i)]	11.14
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	11.14



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	2020-21	2019-20	2018-19	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 ₹).	17.96	98.86	32.7	149.51
4.	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.	Nil	Nil	Nil	Nil
	i. Name of the Fund				
	ii. Amount (in ₹)				
	iii. Date of transfer				
5.	Amount remaining to be spent in succeeding financial years. (in ₹)	Nil	Nil	4.37	Nil

(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). | |
| (b) | Amount of CSR spent for creation or acquisition of capital asset. | Not Applicable |
| (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

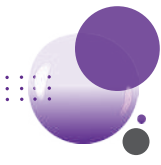
Sd/-
Rupen Patel
 (Chairman & Managing Director)
 DIN: 00029583

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

May 23, 2022
 Mumbai

Annexure IV(a) - Spending CSR

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 District & State	Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency Name	CSR registration No.
I Tunnel Project - USBRL T 15								
a	Potable Water is being provided by tankers to areas near the Project site viz. Sangaldan Police Station, Sangaldan Public Health Center, Sangaldan Market (Road Cleaning once in a week), Bhat Mohalla, Peer Mode, Chakhamni, Baralla, Kushala, Kartar Mode, Ind on continuous basis. Previously, people in this area were using spring water which is impure & mostly contaminated with soil impurities. The water source used to go dry during summer season. The percentage of water borne diseases reduced drastically because of aid provide by the Company.	i	Yes	Ramban, Jammu & Kashmir	5,666,357	Yes	NA	NA
b	Providing ambulance Services on continuous basis for all residents/locals near the Project area viz. Mawalkote, Chakhamni, Baralla, Kushala, Kartar Mode, Ind on continuous basis. There is only one Ambulance with Sangaldan PHC which is stationed at a distance of more than 25 kms. at Sangaldan. It was difficult for patients & in case of emergencies to go to Sangaldan or Ramban District Hospital (70 kms.). Our Ambulance Service is available 24 X 7 throughout the year.	i	Yes	Ramban, Jammu & Kashmir	1,292,519	Yes	NA	NA
c	Bus Service facility (free of charge) on continuing basis for residents & students near Project area viz. Bhat Mohalla, Peer Mode, Chakhamni, Baralla, Kushala, Kartar Mode, Ind. This area is situated on the top of mountain. There is no mode of transport for going to nearest market place – Sangaldan. It was difficult for students to attend school located at Sangaldan. They walked all the way to school which is 25 Km from the market place. Now students attend the school well in time & come back home safely in the evening. Women of the house also can go to local market for purchasing groceries & other household material.	ii	Yes	Ramban, Jammu & Kashmir	1,967,260	Yes	NA	NA
Total (₹)					8,926,136			



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 ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation Through implementing agency	CSR registration No.
II Tunnel Project USBRL - T 2								
a	Medicine aid: Providing face mask, Sanitizers, COVID -19 Vaccines (1 st & 2 nd Doses), Vitamin -C Tablets and medicines for common ailments. All the patients are from surrounding villages (Sirla, Kotli, Bhaga and Chamaida)	i	Yes	Reasi, Jammu & Kashmir	42,396	Yes	NA	NA
b	Maintenance Public Roads: Maintenance works includes Muck filling & Soil filling, dozing and compaction on the various locations of link roads in villages (Sirla, Kotli and Chamaida). Maintenance work were frequently done after rain fall.	x	Yes	Reasi, Jammu & Kashmir	150,000	Yes	NA	NA
c	Road Protection work: Protection works includes wire crate walls, Retaining wall (for Avoiding landslides and shooting stones) and Drainage work along road side for proper channelization of water in nearby villages.	x	Yes	Reasi, Jammu & Kashmir	456,587	Yes	NA	NA
d	School Ground: Government High School, Sirla, Bhaga. (Area of ground =25 X 30=750 Sqm) Excavation & Surface Levelling, Hard rock removal, Soil filling. Compaction and Levelling with JCB.	ii	Yes	Reasi, Jammu & Kashmir	175,332	Yes	NA	NA
e	Repairing of Water Pond & restoration of Water Supply tank for local consumption : - Drinking Water Tanker (JK20-6954) was supplied twice a month during summer for Villagers in Sirla, Bhaga, Kotli, Kariana and Chamaida due to water shortage in the Main sources & surrounding ponds. - Repairing work of water pond includes bottom surface cleaning ,levelling, Muck filling, 100mm thick invert P.C.C and plastering works through out.	i	Yes	Reasi, Jammu & Kashmir	153,400	Yes	NA	NA
					Total (II)	977,715		
III Hydro Project KIRU HEP								
a	Provided Computers & Furniture to Government Girls Higher Secondary School, Kishtwar, District Kishtwar.	ii	Yes	Kishtwar, Jammu & Kashmir	356,900	Yes	NA	NA
b	Renovation of Public road and foot path near Project Site. The road is from highway approaching to Piyas village that will benefit the local villagers of Piyas Panchayat.	x	Yes	Kishtwar, Jammu & Kashmir	708,000	Yes	NA	NA
c	To facilitate Isolation Centre at the Project site to accommodate Covid patients from the villages, purchase of safety equipment and Medicines for COVID-19 patients. This facilities could benefitted around 100 villagers.	i	Yes	Kishtwar, Jammu & Kashmir	426,085	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 (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation Through implementing agency	CSR registration No.
d	Construction of water storage tank near Village Chicha. This storage facility provides continuous water supply to the villagers throughout the year.	i	Yes	Kishtwar, Jammu & Kashmir	103,202	Yes	NA	NA
e	On July 28 th a cloudburst occurred at village Honzar in Kishtwar District in which the village got damages and several villagers lost their lives also. For some Relief and Rehabilitation to the flood affected people of Hunzar Village, we had provided the material to reconstruct their shelters.	xii	Yes	Kishtwar, Jammu & Kashmir	340,175	Yes	NA	NA
Total (III)					1,934,362			
IV Luhri Hydro Project								
a	Maintenance of village road in vicinity of project by providing 3 Water Tankers (12000 liters) on roads connecting various villages(covering 6 Panchayats and approximate 25 villages viz Nirath, Bhadrash, Bithal Duttanagar, Bayel, Moin, Koyal, Samathala, Dehra, Gadech, etc. to National Highway) along with water sprinklers to settle dusts and providing drinking water on continuous basis to villagers).	x	Yes	Shimla & Kullu, Himachal Pradesh	673,187	Yes	NA	NA
b	Civil work for Dispensary facility to Local villagers at Nirath Village.	i	Yes	Shimla & Kullu, Himachal Pradesh	250,000	Yes	NA	NA
Total (IV)					923,187			
V Subansiri Hydro Project								
a	Subansiri Hydro project is located at a remote and socio and economically weak area. Considering this aspect, Company constructed Volley ball court/badminton court at Dolumukh Village for the local youths so as to make a place for their talent growth and also make them physically fit.	vii	Yes	Lower Subansiri, Arunachal Pradesh	311,956	Yes	NA	NA
b	Condition of the Road from Vibeknand Kendriya Bidyalay, Dolumukh to Dolumikh Police Station was not in a shape for pedestrians. The locals approached the Project site for PCC road for smooth walking and also for vehicular movement. Certain amount was spent towards improvement /repair of the Roads.	x	Yes	Lower Subansiri, Arunachal Pradesh	142,538	Yes	NA	NA
c	Potable drinking water at Dolumukh village to facilitate 24 hours water supply.	i	Yes	Lower Subansiri, Arunachal Pradesh	23,128	Yes	NA	NA
d	Levelling of the land for human settlement and construction of houses therein. Providing farming for their livelihood and making the land suitable for children at the village to play.	ii	Yes	Lower Subansiri, Arunachal Pradesh	2,541,000	Yes	NA	NA
Total (V)					3,018,622			



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 ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	CSR registration No.
				District & State			Name	
VI	Hydro Electric Project Kundah Pumped Storage							
a	Installation of Water supply pipeline for Kattukuppai village: Location – Kattukuppai village Total Population of Village – 80 no's Reason for Installation – Drinking Purpose Scenario before Installation – Facing issues in availability of drinking water. Work Description - Pipeline has been installed from 1km apart from the village to the Tank which has been installed for drinking water purpose.	i	Yes	Nilgiris, Tamil Nadu	194,607.00	Yes	NA	NA
b	Renovation work for Government school in Gandhikandi village: School Name - Government Elementary School. Location – Gandhikandi Village Work Description - Repairing of Roof, Toilets, Pipeline, Painting work etc.	ii	Yes	Nilgiris, Tamil Nadu	180,607.00	Yes	NA	NA
	Total (VI)				375,214.00			
VII	Financial assistance for Sports Education							
a	Company has provided aid for nationally recognised sports education	vii	No	Navi Mumbai & Maharashtra	1,800,000	Yes	NA	NA
	Total (VII)				1,800,000			
	TOTAL (I+II+III+IV+V+VI+VII)				17,955,236.00			

Annexure V - Secretarial Audit Report for the Financial Year Ended March 31, 2022

[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 V Road,
 Jogeshwari (West) - 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 called "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.

Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

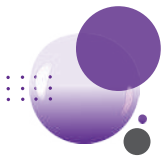
Due to the inherent limitations of audit including internal, financial and operating controls, there is an unavoidable risk that some material misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Unmodified Opinion:

Based on our verification of the Company's 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 March 31, 2022 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 March 31, 2022 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 thereunder to the extent of Overseas Direct Investment; **(External Commercial Borrowings and Foreign Direct Investment is 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) The 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 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;



- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(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 and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(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 and amendments made thereunder.

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.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards made there under for all the above laws to the extent possible.

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 and Listing Regulations.

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 allotted 1,37,77,470 Equity Shares against conversion of debt into Equity shares to Canara Bank pursuant to one time settlement with the Rupee Term Loan lenders of Dirang Energy Private Limited, the wholly owned subsidiary of the Company.

For **MMJB and Associates LLP**
Company Secretaries

Sd/-
Deepti Joshi
FCS: F8167
CP: 8968
PR: 904/2020
UDIN: F008167D000369462

Mumbai
23rd May, 2022

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

To
The Members,
Patel Engineering Limited
Patel Estate V Road,
Jogeshwari (West) - 400102

Our Secretarial Audit Report for the financial year ended March 31, 2022 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
FCS: F8167
CP: 8968
PR: 904/2020
UDIN: F008167D000369462

Mumbai
23rd May, 2022



Annexure V - Secretarial Audit Report for the Financial Year Ended March 31, 2022

[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,

Michigan Engineers Private Limited

D-7 Commerce Centre, 78 Javji Dadaji Road,

Tardeo, Mumbai - 400034

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Michigan Engineers Private Limited** (hereinafter called "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.

Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of audit including internal, financial and operating controls, there is an unavoidable risk that some material misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Modified Opinion:

Based on our verification of the Company's 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 March 31, 2022 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 March 31, 2022 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 thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(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; **(Not Applicable to the Company during the Audit Period)**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not Applicable to the Company during the Audit Period)**
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(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, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(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; **(Not Applicable to the Company during the Audit Period)**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(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 and amendments made thereunder. **(Not Applicable to the Company during the Audit Period)**

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards made there under for all the above laws except appointment of requisite number of Independent Director under Section 149 of the Act, due to which the composition of Board of Directors, Audit Committee and Nomination and Remuneration Committee is not in compliance.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors except as stated above. 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. Further, the adequacy and efficacy shall be read in the context of the observations and remarks specified in this report.

For **MMJB and Associates LLP**
Company Secretaries

Sd/-
Deepti Kulkarni
ACS: A34733
CP: 22502
PR: 904/2020
UDIN: A034733D000362830

Mumbai
21st May, 2022

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



'Annexure A'

To
The Members,
Michigan Engineers Private Limited
D-7 Commerce Centre, 78 Javji Dadaji Road,
Tardeo, Mumbai - 400034.

Our Secretarial Audit Report for the financial year ended March 31, 2022 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 Kulkarni
ACS: A34733
CP: 22502
PR: 904/2020
UDIN: A034733D000362830

Mumbai
21st May, 2022

Annexure VI - 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, 2022.

(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 Renewable Energy Hybrid (Solar with Wind energy) off grid system with battery Bank for High altitude and extreme climates.
- Use of optimum electric compressors which matches the exact requirement. Hence saving in power consumption.
- Use of dual 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.
- Use of 50MPa 120mm ILC paver blocks during rainy season for maintenance of roads by replacing Bitumen which is not possible in monsoon at projects located at high altitude.

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 dual 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 ₹ **10.69** million (previous year ₹ **8.62** million) and ₹ **318.98** million (previous year ₹ 199.52 million) respectively.

Annexure VII - Particulars of Employees

Disclosure pursuant to the 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 as amended is as under:

Sr. No.	Disclosure Requirement	Disclosure details		
		Directors	Title	Ratio
1	Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year.	Mr. Rupen Patel	Chairman & Managing Director	44.84
		Mr. Sunil Sapre	Whole Time Director	20.33
		Ms. Kavita Shirvaikar	Whole Time Director & CFO	34.09
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%
		Mr. Sunil Sapre	Whole Time Director	16%
		Ms. Kavita Shirvaikar	Whole Time Director & CFO	12%
3	Percentage increase in the median remuneration of employees in the financial year.	Ms. Shobha Shetty	Company Secretary	11%
4	Number of permanent employees on the rolls of the Company at the end of the year.	4,273 permanent employees were on the rolls of Company as on March 31, 2022		
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.	<p>While the increase in Directors' remuneration for 2021-22 over 2020-21 is 1%, the corresponding average remuneration increase for other employee's is -14.77%.</p> <p>There is a major increase in manpower count during the year 2020-21 from 2,130 to 4,273 in the year 2021-22. However, majority of new employees are in 'S', 'G', 'H', 'T' category i.e. Workmen, Operator etc. Since majority of this category employees are governed in 'Minimum Wage' rule, the median remuneration of employees in the financial year is negative.</p>		
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.		



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.

(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, 2022, the Board comprised of 6 Directors out of which 3 were independent Directors. This is in conformity with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('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 2021-22 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, 2022 are as under:

Name and DIN of the Directors	Category of Director	No. of Board Meetings		Attendance at the last AGM held on September 15, 2021	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)	5	3	Yes	9	Nil	Nil	Nil
Mr. K. Ramasubramanian (DIN 01623890)	Independent Non - Executive	5	5	Yes	3	Patel KNR Infrastructures Limited – Independent Director	Nil	2
**Ms. Geetha Sitaraman (DIN 07138206)	Independent Non - Executive	5	5	Yes	Nil	Nil	Nil	Nil
Ms. Kavita Shirvaikar (DIN: 07737376)	Executive	5	5	Yes	8	Nil	Nil	Nil
Mr. Sunil Sapre (DIN: 05356483)	Executive	5	5	Yes	10	Nil	Nil	Nil
Mr. Barendra Kumar Bhoi (DIN: 08197173)	Independent Non - Executive	5	5	Yes	1	Nil	Nil	Nil
***Ms. Sunanda Rajendran (DIN: 00381885)	Independent Non-Executive	5	N.A.	N.A	4	Nil	Nil	Nil

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

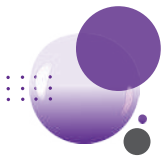
**Ms. Geetha Sitaraman ceased to be Independent Director of the Company on account of completion of her tenure as Independent Director effective from March 25, 2022.

*** Ms. Sunanda Rajendran was appointed as an Additional Independent Director with effect from March 24, 2022.

- The Board met 5 times during the financial year 2021-22 i.e. on June 11, 2021; August 06, 2021; November 01, 2021; December 20, 2021 and February 09, 2022.
- None of Directors listed above are related to each other.
- The Members of the Company at the 72nd AGM held on September 15, 2021, approved the re-appointment of Ms. Kavita Shirvaikar and Mr. Sunil Sapre as whole time Directors of the Company for a further period of 5 years with effect from April 1, 2022.
- All the directors of the Company have confirmed that they are not disqualified for being appointed as directors pursuant to Section 164 of the Companies Act, 2013.
- The Non- Executive directors neither hold any convertible instruments nor any Equity shares in the Company as on March 31, 2022.
- 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/bdcm4dpd>.
- Based on the declaration received from the Independent Directors, the Board has confirmed that they meet the criteria of Independence as prescribed under the Listing Regulations and that they are independent of the management.
- A certificate from M/s. Neena Deshpande & Co., Company Secretary in Practice 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.
- Board Skill Matrix

The Board have identified the following parameters with respect to the skills / expertise / competence that are available with the Board in the context of the business and sector for it to function effectively:

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.



Sr. No.	Experience / Expertise / Attribute	Comments
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.
5.	Leadership	Should continuously monitor activities and operations of the Board and should ensure that they are efficient and effective. There should be approach of Openness and transparency among the members of the Board. Report information about the Company in accurate and in a timely manner. Should be individually and collectively accountable for actions and decisions of the Board.
6.	Corporate Governance	Corporate governance refers to the rules, practices and processes used to govern a company by the Board. An Individual should be accountable for decision making and work practices of the Board. To ensure that all stakeholders are protected.

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	Corporate Governance
Rupen Patel	✓	✓	✓	✓	✓	✓
Kavita Shirvaikar	✓	✓	✓	✓	✓	✓
Sunil Sapre	✓	✓	✓	✓	✓	✓
K. Ramasubramanian	✓		✓		✓	✓
Barendra Bhoi	✓		✓		✓	✓
Sunanda Rajendran	✓		✓		✓	✓

(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;

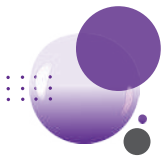
- To review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice, and the report submitted by 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/chairperson and number of meetings attended by the members.

Composition and Name of members	Number of meetings during the F.Y. 2021-22	
	Held	Attended
Mr. K. Ramasubramanian, Chairman	4	4
Mr. Rupen Patel	4	3
*Ms. Geetha Sitaraman	4	4
**Mr. Barendra Kumar Bhoi	4	N.A.

* Ms. Geetha Sitaraman ceased to be member with effect from March 25, 2022 on completion of her tenure as Independent Director.

** Mr. Barendra Kumar Bhoi was inducted as Member of the Audit Committee with effect from March 25, 2022.



The Chairman of the Audit Committee was present at the last Annual General Meeting (AGM) held on September 15, 2021.

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 financial year 2021-22 i.e. on June 11, 2021; August 06, 2021; November 01, 2021 and February 09, 2022. 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/chairperson and number of meetings attended by the members.

Composition and Name of members	No. of meeting	
	Held	Attended
Mr. K Ramasubramanian, Chairman	2	2
Mr. Rupen Patel	2	1
*Ms. Geetha Sitaraman	2	2
**Mr. Barendra Kumar Bhoi	2	N.A.

*Ms. Geetha Sitaraman ceased to be Independent Director with effect from. March 25, 2022 on account of completion of her tenure as Independent Director.

** Mr. Barendra K. Bhoi was inducted as Member of the Committee with effect from March 25, 2022.

The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting (AGM) held on September 15, 2021.

(c) Nomination and Remuneration Committee Meetings during the year

The Nomination and Remuneration Committee met twice during the financial year 2021-22 i.e. on August 06, 2021 and February 09, 2022. The necessary quorum was present for the meetings of the Committee.

The Company has Remuneration Policy in place, 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 2021-22.

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/ycksjbzu>

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, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee and Committee for Evaluation of Subsidiaries.

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

(₹ in Million)

Name	Sitting fees
Mr. K. Ramasubramanian	0.650
Ms. Geetha Sitaraman*	0.500
Mr. Barendra Kumar Bhoi	0.250
Ms. Sunanda Rajendran **	N.A.

*Ms. Geetha Sitaraman ceased to be Independent Director w.e.f. March 25, 2022.

**Ms. Sunanda Rajendran was appointed as Independent Director w.e.f. March 24, 2022.

(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	Ms. Kavita Shirvaikar, Executive Director	Mr. Sunil Sapre, Executive Director
Salary	24.39	15.41	11.71
Perquisites	3.65	5.91	1.00
Total (Gross Salary)	28.04	21.32	12.71
Service Contracts	01-04-2019 to 31-03-2024	01-04-2017 to 31-03-2022 *	01-04-2017 to 31-03-2022 *
Notice Period	3 months	3 months	3 months
Option exercised during the year	NA	25,000	-

*the service contract of Ms. Kavita Shirvaikar and Mr. Sunil Sapre has been renewed on account of re-appointment as Whole time Directors for 5 years respectively effective from April 1, 2022.



No options were granted during the year to any of the aforementioned directors.

The shareholding of the Directors in the Company as on March 31, 2022 is as under:

Name		Number of equity shares	% of the paid up capital
Mr. Rupen Patel	Chairman & Managing Director	3,46,85,933	7.24
Mr. K Ramasubramanian	Independent Director	-	-
Ms. Kavita Shirvaikar	Whole time Director & CFO	1,92,120	0.04
Mr. Sunil Sapre	Whole time Director	-	-
Mr. Barendra Kumar Bhoi	Independent Director	-	-
Ms. Sunanda Rajendran	Independent Director	-	-

(6) Stakeholders' Relationship Committee:

- (a) The Stakeholder's Relationship Committee met once during the financial year i.e. on June 11, 2021.
- (b) Mr. K. Ramasubramanian, the Independent non-executive director chairs this Committee. Other Members being Ms. Kavita Shirvaikar and Mr. Sunil Sapre, Executive Directors.
- (c) Ms. Shobha Shetty is the Company Secretary and Compliance officer of the Company.
- (d) 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, 2022.
- (e) Number of complaints not solved to the satisfaction of shareholders: Nil
- (f) Number of pending complaints - Nil

(7) Risk Management Committee (RMC)

(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/chairperson, meeting & attendance of RMC

The Risk Management Committee met thrice during the financial year 2021-22 i.e. on August 04, 2021, October 29, 2021 and February 08, 2022. The necessary quorum was present for the meetings of the Committee.

Name	No. of meeting	Attendance
Mr. K. Ramasubramanian, Independent Director	3	3
Ms. Kavita Shirvaikar, Whole time Director & CFO	3	2
Mr. Sunil Sapre, Whole time Director	3	3
Mr. Kaushik Chakraborty, Additional Vice President (Accounts)	3	Nil

(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
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”)
2021-22	September 15, 2021	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 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
- ii. 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. 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.



iii. AGM on September 15, 2021

- Re- appointment of Ms. Kavita Shirvaikar as Whole time Director
- Re-appointment of Mr. Sunil Sapre as Whole time Director
- Variation in terms of remuneration to Mr. Rupen Patel, Chairman & Managing Director for the period April 01, 2021 to March 31, 2024
- Variation in terms of remuneration to Ms. Kavita Shirvaikar, Whole time Director for the period April 01, 2021 to March 31, 2022
- Raising of funds

(c) No Resolutions were passed during the financial year 2021-22 through postal ballot.

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 Listing Regulations.
- (b) The said financials results are published in Financial Express/ Business Standard in English Language, in Navshakti / Sakal in Marathi Language and Mumbai Samachar in Gujarathi 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: Friday, August 26, 2022 at 11.30 am through Video Conferencing (“VC”)/ other Audio Visual Means (“OAVM”)
- (b) Financial year : April 1, 2021 to March 31, 2022
- (c) Dividend payment date: NA
- (d) The Equity Shares (ISIN : **INE244B01030**) of the Company are listed on following Stock Exchanges:

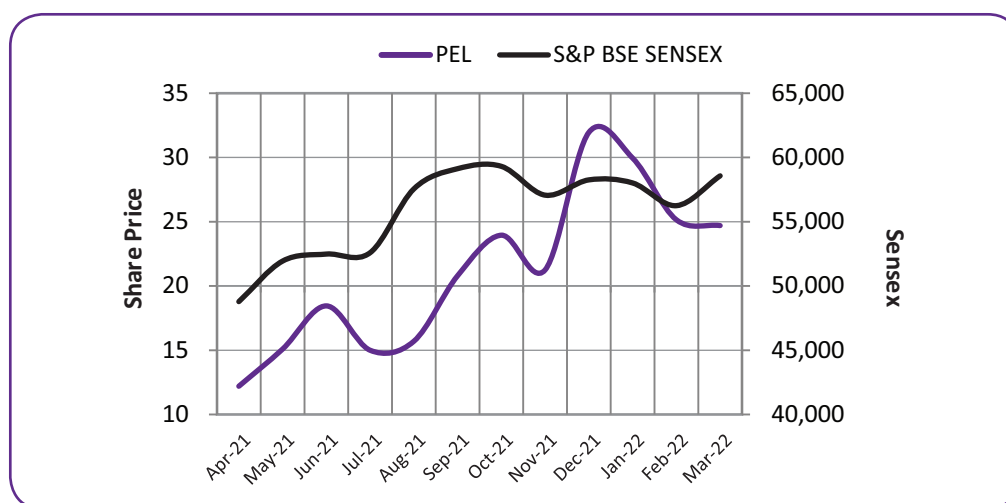
Name of the Stock Exchange	Address of the Stock Exchange	Stock codes (Equity Shares) : Trading Symbol
BSE Limited (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	531120
National Stock Exchange of India Limited (NSE)	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai 400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

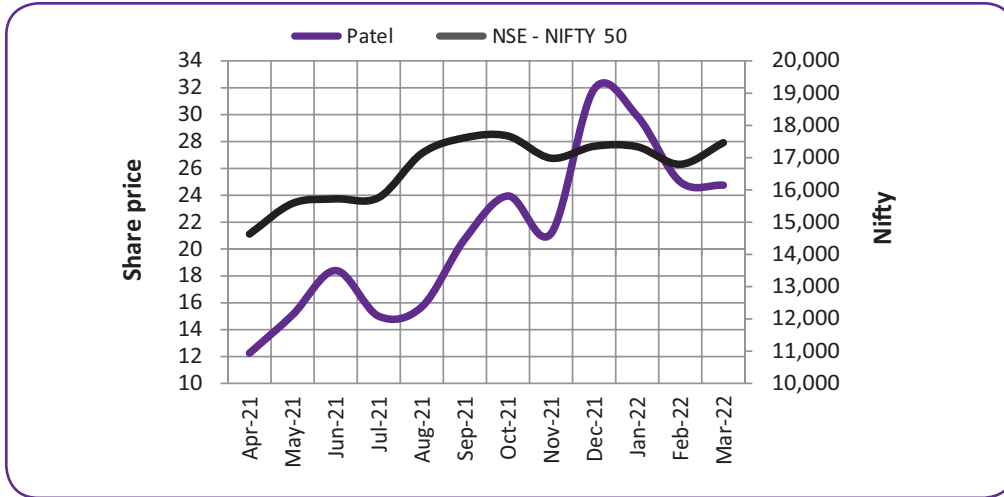
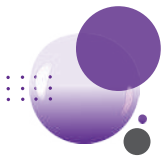
The Company confirms payment of annual listing fees to these Stock Exchanges for the financial year 2022-23.

(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 2021-2022 on BSE and NSE are under :

Month	BSE			NSE		
	High (₹)	Low (₹)	Total No. of Shares Traded	High (₹)	Low (₹)	Total No. of Shares Traded
Apr-21	12.90	11.01	7,50,322	12.90	11.15	44,63,618
May-21	17.57	11.75	33,60,303	17.55	12.00	4,24,31,159
Jun-21	23.30	14.45	2,31,69,971	23.30	14.40	15,70,43,375
Jul-21	19.75	14.95	72,60,175	19.75	14.95	3,93,26,642
Aug-21	19.25	13.82	2,15,34,809	19.30	12.85	11,81,79,230
Sep-21	21.45	15.10	1,34,28,557	21.40	15.20	7,29,18,493
Oct-21	31.70	19.70	2,24,58,652	31.70	19.75	15,52,56,681
Nov-21	26.30	20.35	52,13,578	26.30	20.10	2,88,67,974
Dec-21	34.95	20.95	1,69,23,501	34.95	20.95	12,75,46,670
Jan-22	33.70	26.95	56,26,407	33.50	26.95	2,74,87,575
Feb-22	31.50	23.50	23,10,502	31.80	23.60	1,17,19,663
Mar-22	27.45	23.15	26,57,950	27.40	23.05	1,38,85,993

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



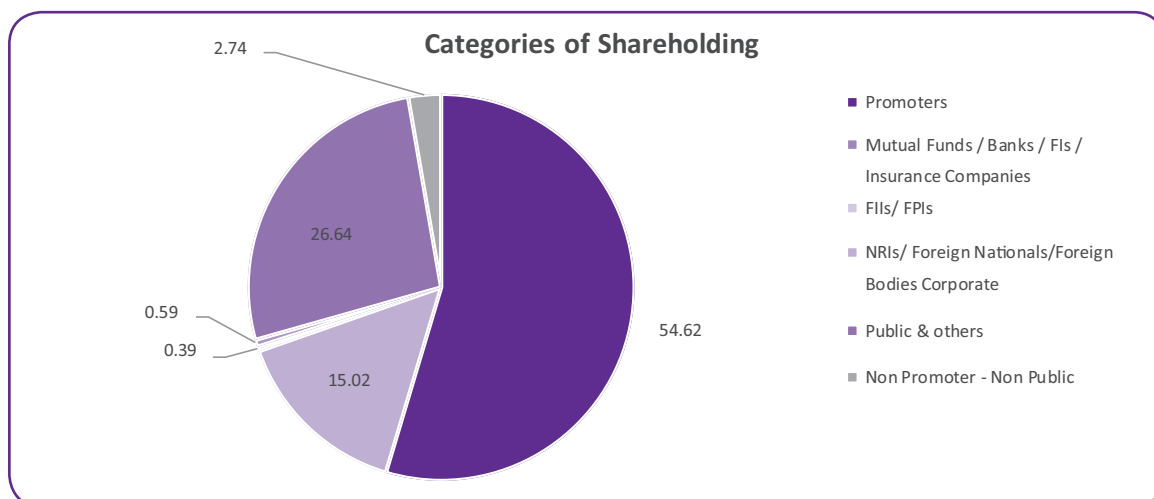


- (g) **Registrar and share transfer agent:** Link Intime India Private Limited is the Registrar and Share Transfer Agent of the Company.
- (h) **Share Transfer System:** Pursuant to Regulation 40 of the Listing Regulations, transfer of securities of the Company shall be processed only in dematerialised form with the depository with effect from April 01, 2019. Further, SEBI vide its Circular dated January 25, 2022, has mandated that securities shall be issued only in dematerialized mode while processing duplicate/unclaimed suspense/ renewal / exchange / endorsement /sub-division/ consolidation/ transmission/ transposition service requests received from physical securities holders. 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, 2022:**

No. of shares	No. of Shareholders	% of Shareholders	Number of Shares held	% to Shares held
1-500	72,890	76.75	95,49,876	1.99
501-1000	9,194	9.68	78,31,204	1.63
1001-2000	5,338	5.62	84,83,407	1.77
2001-3000	2,164	2.28	56,95,458	1.19
3001-4000	1,040	1.10	37,87,400	0.79
4001-5000	1,138	1.20	54,74,007	1.14
5001-10000	1,637	1.72	1,26,05,644	2.63
Above 10000	1,567	1.65	42,58,03,498	88.86
Grand Total	94,968	100	47,92,30,494	100

Shareholding Pattern as on March 31, 2022

Category	No. of shares	% of Total Holding
Promoters	26,17,43,109	54.62
Mutual Funds / Banks / FIs / Insurance Companies / NBFCs	7,19,88,548	15.02
FII/ FPIs	18,45,086	0.39
NRIs/ Foreign Nationals/Foreign Bodies Corporate	28,43,696	0.59
Public & others	12,76,77,340	26.64
Non Promoter - Non Public	1,31,32,715	2.74
GRAND TOTAL	47,92,30,494	100



(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 99.91% of the Company's share capital are dematerialized as on March 31, 2022.

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.**

(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. 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:

The Company Secretary & Compliance Officer.
 Patel Engineering Limited
 Patel Estate Road, Jogeshwari (West),
 Mumbai – 400 102.
 Tel: +91 22 26767500
 Fax: +91 22 26782455/ 26781505
 E-mail: investors@pateleng.com

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



(o) **Credit ratings : The credit ratings obtained by the Company during the year 2021 are as under:**

Rating agency	Instruments	Date of revision (if any)	Revised Rating
Acuite Ratings & Research Limited	long term Bank facilities	August 10, 2021	ACUITE BBB- / Outlook: Stable
	short term bank facilities		ACUITE A3
Infomerics Rating	long term Bank facilities	August 27, 2021	IVR BBB-
	short term bank facilities		IVR A3

(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	1,085
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	1,085

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 Listing Regulations.
- (d) There have been no instances where the Board has not accepted recommendation of any Committee of the Board during the financial year.
- (e) The Material subsidiaries policy weblink: <https://tinyurl.com/235xsrxw>
- (f) The related party policy web link: <https://tinyurl.com/2p94jfyw>
- (g) During the year ended March 31, 2022, a total fees for all services paid by Company on a consolidated basis to the statutory auditor of the Company is ₹ 63,43,050. 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) The Company and its subsidiaries have not made any loans to firms/companies in which directors are interested.

- (j) Disclosures on compliance with corporate governance requirements specified in Regulations 17 to 27 have been included in the relevant sections of this report.
- (k) 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 Listing Regulations.
- (l) The financial statements (both consolidated and standalone) have been prepared in accordance with the accounting standards and policies generally accepted in India.
- (m) The CEO and CFO have certified to the Board, the requirements of the Listing Regulations with regard to financial Statement.
- (n) 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 Chairman & Managing Director under SEBI Listing Regulations regarding adherence to the Patel Engineering Code of Conduct.

In accordance with SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015, it is hereby declare that for the financial year ended March 31, 2022, the Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for 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

May 23, 2022
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,
Patel Engineering Limited
Patel Estate Road, Jogeshwari,
Mumbai, 400102

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, 2022. 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, 2022, referred to in paragraph 1 above.

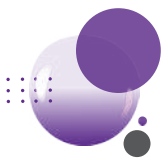
Other matters and Restriction on Use

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
Firm Registration No. 124444W/W100150

Mumbai
May 23, 2022

T.P. Ostwal
(Partner)
Membership number: 030848
UDIN: 22030848AJKFXR6149



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of listed entity		
1.	Corporate Identity Number (CIN) of the Listed Entity	L99999MH1949PLC007039
2.	Name of the Listed Entity	Patel Engineering Limited
3.	Year of Incorporation	1949
4.	Registered office of the Company	Patel Estate Road, Jogeshwari West, Mumbai - 400104
5.	Corporate Address	Same as above
6.	E-mail	headoffice@pateleng.com
7.	Telephone	022-26767500
8.	Website	www.pateleng.com
9.	Financial Year for which reporting is being done	1 st April, 2021 to 31 st March, 2022
10.	Name of the Stock Exchanges where shares are listed	BSE Limited and The National Stock Exchange of India Limited
11.	Paid-up Capital	₹ 47,92,30,494
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report.	Mr. Mayur Aggarwal Assistant Manager (ISO) Telephone:+91 22 26767500 Email: mayur.aggarwal@pateleng.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone Basis

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Civil Engineering & Construction	Civil Engineering & Construction of Hydro Projects, Dams, Tunnels, Roads, railways etc.	100

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Civil Engineering & Construction	42101, 42201, 42204	100%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants (projects)	Number of offices	Total
National	44	5	49
International	2	-	2

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	16
International (No. of Countries)	1

b. What is the contribution of exports as a percentage of the total turnover of the entity? None

c. A brief on types of customers: The projects are awarded to the Company by Central & State Government on bidding the contract tenders. The clients are governing bodies according to the sectors of their operations like NHPC, SJVNL, CVPPL, etc. for Hydro Power, IRCON, RVNL, etc. for Railway, NHAH for Highways & Roads, State Irrigation departments for Irrigation projects.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	2,247	2,202	99	45	1
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total employees (D + E)	2,247	2,202	99	45	1
WORKERS						
4.	Permanent (F)	2,023	2,023	100	0	0
5.	Other than Permanent (G)	2,061	2,061	100	0	0
6.	Total workers (F + G)	4,084	4,084	100	0	0

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	3	2	67	1	33
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	3	2	67	1	33
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)					
5.	Other than permanent (G)					
6.	Total differently abled workers (F + G)					

Due to the Company's nature of business (Construction of hydroelectric projects, tunnels and infrastructure), the Company cannot take life risk for differently abled workers in projects which are in remote part of the country.



19. Participation/Inclusion/Representation of women

	Total (A)	No. and Percentage of Females	
		No. (B)	% (B/A)
Board of Directors	6	1	16.66
Key Managerial Personnel	4	2	50.00

20. Turnover rate for permanent employees and workers

	FY 2021-22 (Turnover rate in current FY)			FY 2020-2021 (Turnover rate in previous FY)			FY 2019-2020 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
	Permanent Employees		10%			9%			14%
Permanent Workers									

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Zeus Minerals Trading Pvt. Ltd	Subsidiary	100.00	No
2	Patel Concrete & Quarries Pvt. Ltd.	Subsidiary	100.00	No
3	Friends Nirman Pvt. Ltd.	Subsidiary	100.00	No
4	Energy Design Pvt. Ltd.	Subsidiary	100.00	No
5	Shreeanant Construction Pvt. Ltd.	Subsidiary	100.00	No
6	Patel Lands Ltd.	Subsidiary	100.00	No
7	Patel Engineering Infrastructure Ltd.	Subsidiary	100.00	No
8	Patel Energy Resources Ltd.	Subsidiary	100.00	No
9	Pandora Infra Pvt. Ltd.	Subsidiary	100.00	No
10	Patel Engineers Pvt. Ltd.	Subsidiary	100.00	No
11	Patel Patron Pvt. Ltd.	Subsidiary	100.00	No
12	Vismaya Constructions Pvt. Ltd.	Subsidiary	100.00	No
13	Bhooma Realties Pvt. Ltd.	Subsidiary	100.00	No
14	Shashvat land Projects Pvt. Ltd.	Subsidiary	100.00	No
15	Arsen Infra Pvt. Ltd.	Subsidiary	100.00	No
16	Hera Realcon Pvt. Ltd.	Subsidiary	97.13	No
17	PBSR Developers Pvt. Ltd.	Subsidiary	100.00	No
18	Patel KNR Infrastructures Ltd.	Subsidiary	60.00	No

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
19	Hampus Infrastructure Pvt. Ltd.	Subsidiary	100.00	No
20	Waterfront Developers Ltd.	Subsidiary	100.00	No
21	Patel Engineering (Singapore) Pte. Ltd.	Subsidiary	100.00	No
22	Patel Engineering (Mauritius) Ltd.	Subsidiary	100.00	No
23	Patel Engineering Inc.	Subsidiary	100.00	No
24	Patel Engineering Lanka (Pvt.) Ltd.	Subsidiary	100.00	No
25	Michigan Engineers Pvt. Ltd.	Subsidiary	51.00	No
26	Les Salines Development Ltd.	Subsidiary	100.00	No
27	La Bourgade Development Ltd.	Subsidiary	100.00	No
28	Ville Magnifique Development Ltd.	Subsidiary	100.00	No
29	Sur La Plage Development Ltd.	Subsidiary	100.00	No
30	PT PEL Mineral Resources	Subsidiary	100.00	No
31	PT Patel Engineering Indonesia	Subsidiary	100.00	No
32	Patel Mining (Mauritius) Ltd.	Subsidiary	100.00	No
33	Enrich Mining Vision Lda	Subsidiary	100.00	No
34	Patel Mining Priviledge Lda.	Subsidiary	100.00	No
35	Patel Infrastructure, Lda	Subsidiary	100.00	No
36	Trend Mining Projects, Lda	Subsidiary	100.00	No
37	Accord Mines Venture, Lda	Subsidiary	100.00	No
38	Netcore Mining Operations, Lda	Subsidiary	100.00	No
39	Metalline Mine Works, Lda	Subsidiary	100.00	No
40	Patel Assignment Mozambique, Limitada	Subsidiary	100.00	No
41	Chivarro Mines Mozambique, Lda	Subsidiary	100.00	No
42	Fortune Mines Concession, Lda	Subsidiary	100.00	No
43	Omni Mines Enterprises, Lda	Subsidiary	100.00	No
44	Quest Mining Activities, Lda	Subsidiary	100.00	No
45	ASI Global LLC.	Subsidiary	100.00	No
46	PT Surya Geo Minerals	Subsidiary	100.00	No
47	PT Surpat Geo Minerals	Subsidiary	100.00	No
48	Phedra Projects Pvt. Ltd.	Subsidiary	100.00	No
49	Patel Thermal Energy Pvt. Ltd	Subsidiary	100.00	No
50	PEL Power Limited	Subsidiary	100.00	No
51	PEL Port Pvt. Ltd.	Subsidiary	100.00	No
52	Jayshe Gas Power Pvt. Ltd.	Subsidiary	100.00	No
53	Patel Energy Projects Pvt. Ltd.	Subsidiary	100.00	No
54	Patel Energy Assignment Pvt. Ltd.	Subsidiary	100.00	No



S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
55	Patel Energy Operations Pvt. Ltd.	Subsidiary	100.00	No
56	Patel Hydro Power Pvt. Ltd.	Subsidiary	100.00	No
57	Dirang Energy Pvt. Ltd.	Subsidiary	100.00	No
58	West Kameng Energy Pvt. Ltd.	Subsidiary	100.00	No
59	Digin Hydro Power Pvt. Ltd.	Subsidiary	100.00	No
60	Meyong Hydro Power Pvt. Ltd.	Subsidiary	100.00	No
61	Saskang Rong Energy Pvt. Ltd.	Subsidiary	100.00	No
62	Patel Energy Ltd.	Subsidiary	99.99	No
63	Patel Surya (Singapore) Pte Ltd.	Subsidiary	60.00	No
64	Pt Patel Surya Minerals	Subsidiary	60.00	No
65	Pt Patel Surya Jaya	Subsidiary	60.00	No
66	Patel KNR Heavy Infrastructures Pvt. Ltd.	Subsidiary	60.00	No
67	Lucina Realtors Pvt. Ltd.	Subsidiary	90.90	No
68	ASI Constructors Inc., USA	Subsidiary	66.37	No
69	ACP Tollways Pvt. Ltd.	Associate	32.00	No
70	Hitodi Infra Pvt. Ltd.	Associate	49.00	No
71	Raichur Sholapur Transmission Company Pvt. Ltd.	Associate	33.34	No
72	Bellona Estate Developers Limited	Associate	49.00	No
73	CICO Patel JV	Joint Venture	99.90	No
74	Patel SEW JV	Joint Venture	60.00	No
75	KNR Patel JV	Joint Venture	49.00	No
76	Patel KNR JV	Joint Venture	50.00	No
77	Patel-Varks Precision Consortium	Joint Venture	60.00	No
78	PATEL Soma JV	Joint Venture	50.00	No
79	PATEL V ARKS JV	Joint Venture	65.00	No
80	Patel Avantika Deepika BHEL	Joint Venture	52.83	No
81	AGE PATEL JV	Joint Venture	49.00	No
82	Patel - Michigan JV	Joint Venture	10.00	No
83	PEL-UEIPL JV	Joint Venture	60.00	No
84	PEL-PPCPL-HCPL JV	Joint Venture	51.00	No
85	PATEL VI JV	Joint Venture	51.00	No
86	Onycon Enterprise	Joint Venture	60.00	No
87	PEL-Gond JV	Joint Venture	45.00	No
88	HES Shuthaliya JV	Joint Venture	45.00	No
89	PEL-Parbati JV	Joint Venture	52.00	No

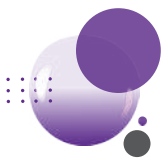


S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
90	NEC-PEL JV	Joint Venture	45.00	No
91	PEL-RBG JV	Joint Venture	51.00	No
92	Patel SA JV	Joint Venture	75.00	No
93	Era Patel Advance Kiran JV	Joint Venture	47.06	No
94	Era Patel Advance JV	Joint Venture	30.00	No
95	Patel Apco JV	Joint Venture	50.00	No
96	Patel Siddhivinayak JV	Joint Venture	51.00	No
97	PEL-ISC-PRATHMESH JV	Joint Venture	50.00	No
98	ISC Projects-PEL JV	Joint Venture	49.00	No
99	Patel -Civet-Chaitra Micro (KA) JV	Joint Venture	51.00	No
100	Ceigall - PEL (JV)	Joint Venture	40.00	No
101	VPRPL - PEL JV	Joint Venture	51.00	No
102	Mokhabardi Micro Irrigation Project JV	Joint Venture	51.00	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes
- (ii) Turnover (in ₹): 30,27,79,11,441
- (iii) Net worth (in ₹): 24,98,36,98,396

VII. Transparency and Disclosures Compliances



23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web link for grievance redress policy) (If Yes, then provide web-link for grievance redress policy)	FY 2021-2022 Current Financial Year			FY 2020-2021 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	There is no direct involvement of the community with the project. All the community related aspects are handled by the client.	Nil	Nil	No complaints received from the client about the site activities from the communities.	Nil	Nil	Nil
Investors (other than shareholders)	Nil	Nil	Nil	No investor complaint either in writing nor in email received	Nil	Nil	No investor complaint either in writing nor in email received

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 21-22 Current Financial Year			FY 20-21 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Shareholders	Yes, as per SEBI Listing Regulations	Nil	Nil	NA	Nil	Nil	NA
Employees and workers	Whistle blower Policy https://tinyurl.com/2sxkrt7t	Nil	Nil	NA	Nil	Nil	NA
Customers	Quality Policy as well as complaint Management procedure is in place	Nil	Nil	NA	Nil	Nil	NA
Value Chain Partners	All the value chain partners are part of supplier development program as well. We are now developing responsible sourcing policy.	Nil	Nil	NA	Nil	Nil	NA
Other (please specify)	Legal regulators / Legal compliance register maintained and part of work contract issued by client	Nil	Nil	NA	Nil	Nil	NA

24. Overview of the entity's material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Global warming due to high consumption on fossil fuel-based energy universally	Opportunity	PEL is into hydropower electricity generation plant which is carbon neutral and helps in establishing the Nation's goals towards climate change action vision 2030	-	Positive: Financial implication are saving cost, reduced construction cost. Life cycle impact is carbon neutral or zero carbon emissions
2	Road infrastructure development in India to reduce the travel time	Opportunity	PEL does surface transportation related tunneling for railways and motor vehicle. Most of the infrastructure development taking place and when Company as principle contractor, the aim of modern infra is to cut the carbon footprints by reducing the distance, using modern ecofriendly techniques etc.	-	Positive: The overall national impact on carbon footprints reduces significantly where the travel distances are reduced and ease of travel happens. The mass commutation through railways minimize the carbon impact.
3	Consumption of natural resources like water, fuel, aggregates, cements and other chemicals during construction	Risk	Natural resource depletion over a period of time.	Waste water treatment and usage of the water. The waste concrete recycling, use of slag cement or cement with fly ash. Design construction chemicals to reduce the curing required. Use of robotic technology to minimize the consumption. Using high energy efficient construction equipment to optimize the resource consumption.	Positive: The Company strives to engage with the client to provide them solutions which are ecologically sound practices and take their approval before doing any changes.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
04	Local disruption in projects during project execution	Risk leading to accident	Unskilled person come forward for jobs, and pressurize for being contractors as well seeking labour contract work	The local employment opportunity need to be generated hence organization has adopted training, adaptation and getting them locally employed for the project duration. Similarly, the Company also plays its part in establishing connectivity with locals/tribals in areas of operations through local CSR activities which includes, road developments, drinking water supply, providing school amenities for children, medical facilities etc.	Positive: The local employment opportunities are generated which in turns helps in building the food basket of the locals. Further, low absenteeism reduces cost due to less need of rehabilitation.



SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	Ethics & Transparency	Product Responsibility	Human Resources	Responsiveness to Stakeholders	Respect for Human Rights	Respect and make efforts to protect and restore the environment	Public Policy Advocacy	Inclusive Growth	Customer Engagement
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	https://tinyurl.com/43py3zd8	https://tinyurl.com/2a8b934t	https://tinyurl.com/38d4n8es	https://tinyurl.com/2auv45pn	https://tinyurl.com/38d4n8es	https://tinyurl.com/2a8b934t	NA	https://tinyurl.com/2auv45pn	https://tinyurl.com/4u35ryvd
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	Ethics & Transparency	Product Responsibility	Human Resources	Responsiveness to Stakeholders	Respect for Human Rights	Respect and make efforts to protect and restore the environment	Public Policy Advocacy	Inclusive Growth	Customer Engagement
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.				ISO 9001, ISO 14001, ISO 45001					
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>Business goals and management system goals are well documented and audited by third party annually. We are certified for Integrated Management System from British Standard Institution (BSi) for the past 9 years.</p> <p>Environmental aspects and significant environment impacts are identified, and environmental goals related to reduce, reuse, recycling and recover is used to optimized resource, mitigate adverse environmental impacts, waste to landfill minimization are taken. Significant change in technology whereby usage of designing of concrete plan, minimizing the curing with water, usage of concrete waste, high performance equipment optimum utilization of resources.</p>								



Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	Ethics & Transparency	Product Responsibility	Human Resources	Responsiveness to Stakeholders	Respect for Human Rights	Respect and make efforts to protect and restore the environment	Public Policy Advocacy	Inclusive Growth	Customer Engagement

PEL has taken social upliftment programme where we have started use of MSME as well SME from the nearby place of our project sites. Many of our contractors other than OEM are from the nearby project locations. This act has saved lot of our resources which includes cost saving due to transportation, energy saving whereby we minimized the indirect source emissions, enhanced the livelihood of the locals, bringing the prosperity to the region and giving them opportunities to develop additional resources.

Some of the Strategic goals which organization has taken are mentioned below:

1. Implementation of Integrated Management System in all the leading work site in next three years' time period (2022-2025)
2. The Management has framed the required Policy on Anti-Bribery and Anti-Corruption. The same shall be adopted and implemented by December 2022.
3. Creating CSR team at corporate and driving CSR project from all our construction sites by December 2022
4. De-carbonization of some of our activities by opting for green energy March 2023
5. Strengthening training division of the organization and training all the employees and workers on issues related to climate change and actions decided by the organization by June 2023
6. Strengthening our HSE functions by recruitment and rigorous training to bring our incident rate to zero by December 2024
7. Developing sustainable sourcing policy and encouraging the suppliers from all the sectors to adapt sustainable sourcing Policies by December 2024
8. ESG /GRI reporting to start by December 2023 onward

PEL expects by adopting these objectives company wide, we shall be able to gain the following:

1. Our commitment for sustainable & organic growth
2. Contributing universal goals for sustainability by governing ourself in responsible sustainable manner towards environment and society
3. Building economy of the country by contributing through time completion of the projects
4. Minimizing Co2 emissions from our construction project by 10% by using best available option for our construction projects

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	Ethics & Transparency	Product Responsibility	Human Resources	Responsiveness to Stakeholders	Respect for Human Rights	Respect and make efforts to protect and restore the environment	Public Policy Advocacy	Inclusive Growth	Customer Engagement
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Principle wise Policies are described below								
P1: Ethics and Transparency	The Company's Code of Conduct for Employees, Executive Directors & Senior Management, Non-Executive Directors, Whistle Blower Policy, Anti-Bribery and Anti-Corruption Policy, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, Policy for Determining Material Event or Information, Policy on Related Party Transactions and other internal policies elucidate ethical behaviour, transparency and accountability.								
P2: Product Responsibility	Anti-Bribery and Anti-Corruption Policy and QHSE (Quality, Health & Safety and Environment Policy elucidate the commitment towards Product Responsibility								
P3: Human Resources	PEL has various policies to support employee well-being. Besides the organization's Code of Conduct, other policies include the Policy on Protection of Women Against Sexual Harassment at the Workplace (POSH), Policy on Quality, Health and Safety and Environment, Comprehensive Employee Health Insurance Policy, Personal Accident Policy, Policy on Maternity Leave, Policy on Equal Opportunities, Policy on Self-Education for Employees, Policy on Soft Loans to Employees (for housing, furniture/fixtures, vehicles), Policy for Sponsoring Employees for Training & Development								
P4: Responsive to Stakeholders, particularly the marginalised	The organization is focused on social development and increasing the participation of stakeholders in our construction business. We have procurement policy where we employ the work force to large extent from local governance area, all our sites follow the CSR guidelines in terms of the CSR Policy of the Company.								
P5: Respect for Human Rights	The Code of Conduct details the policy on the respect for human rights. The Company through its Human Rights Statement upholds human rights as enshrined in the Constitution of India and supports the principles in the United Nations' Universal Declaration of Human Rights. PEL has not drafted any Policy of its own as we are committed to Constitution of India and UN Principles of Human Rights								



P6: respect and make efforts to protect and restore the environment	PEL has been certified for integrated Management System and has established Quality, Environment and Occupational Health and Safety Policy which is reviewed periodically by the Top Management and this policy is also applicable for all the stakeholders who are associated with our work activities.
P7: Public Policy Advocacy	While PEL may share its expertise to help in the formulation of public policy, it does not directly engage in lobbying or advocacy activities and hence, does not have a specific policy for this purpose.
P8: Inclusive Growth	The Corporate Social Responsibility Policy encompasses activities focused on the marginalised and vulnerable sections of society. In its effort towards inclusiveness, the Company offers medical aid, education, providing books, developing infrastructure, helping them in seeking employment opportunities etc.
P9: Customer Engagement	The Code of Conduct, internal policies, ISO 9001:2015 implementation and certification are the benchmarks on customer service and policies

Governance, leadership and oversight

7. Statement by Director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

The prime focus of the Company is to carry out the Sustainable business which is primarily based on our commitment on Environmental resilience, social upliftment and good governance structure for the Company. PEL believes that sound principles of governance are a necessary tool for creating long-term value for all its stakeholders and to promote sustainability. The Company regards respect for human rights as one of its fundamental and core values.

Our main business is into constructing Hydroelectric Power Plants which itself is sustainable resource once it operates for next 135 years, which creates zero net carbon emissions from the hydel energy. We are engaged with National building activities which are aligned to Sustainable Development Goals of Government of India. These projects have helped in developing infrastructure in the remote parts of India and helped in economic development of the region while maintaining the environmental resilience.

The Company recognizes that climate change is not just an environmental issue but also a business risk. The Company is increasing its due diligence on environmental, Health and Safety and social risks in its construction business and this is done through continual monitoring of each project.

Quality, Environmental and Occupational Health and Safety Management System has helped establishing system throughout the Company and to all our sites. PEL is building robust HSE system to bring down incident rates, enhancing our efforts for resource optimization, use of alternative or less hazardous process by adapting to latest technology in our field.

Since PEL participates in the Government tenders and all our projects are Government monitored, the challenges for use of latest technology, or use of alternative green solutions (which may be costing higher) adaption to 4R (Reduce, Reuse, Recycle and Recover) process becomes challenging to us. PEL tries to overcome these challenges with our site project review meetings with the client and get it addressed.

PEL is also committed to ESG reporting for its activities and in this direction, we are in preparation stage for our project sites where we are creating teams, developing process and procedures for collection of data and also getting people trained for reporting. Some of the data collection mechanism has been initiated in this direction and organization is in process of adopting ESG policy.

PEL aims to start publishing its ESG reporting from the financial year 2022-23. During COVID-19, the Company continued with construction business and trained its employees, workers and contract workforce about all the COVID-19 related symptoms as well appropriate behavior which was needed at all the work sites.

One of the aims is to control on waste per ton of concrete has been monitored very rigorously and we are trying to see the alternative useful usage of the proclaimed waste as byproduct or product by ourselves or external organization. We are progressing towards this direction and working out to use the waste concrete back to batching plant, usage of construction and demolition waste as aggregate, use of slurry in developing bricks which can be given to the nearby villages for constructing their homes.

PEL is committed to minimize the energy intensity of our activities from our project sites and will always encourage for green renewable source of energy. PEL's work is restricted to construction activity for a temporary duration but yet the Company tries to minimize the use of energy by conservation, optimization, efficiency building including usage of green energy.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Sunil Sapre, Whole time Director DIN: 05356483 Telephone:+91 22 26767500 Email: sunil.sapre@patel.eng.com
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, the Company has constituted BRSR committee which is headed by a Whole Time Director. The meetings are held twice in a year for sustainability related issues and for decision making. Besides the above, the Company has (i) the Audit Committee; (ii) the Corporate Social Responsibility Committee; where also the review is conducted.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Performance against above policies and follow up action	Review on Implementation and audit of ISO. Review on BRSR by the BRSR committee. Audit Committee review. HSE review CSR Committee review									Monthly/Quarterly/Half Yearly								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Compliance evaluation is being carried out by the corporate legal department. HSE compliances as well HR and IR related compliance monitoring also been carried out. The Corporate Governance related compliances are also reviewed and check by the Company Secretary.									Yearly								



	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	Yes. The organization is certified for Integrated Management System by the British Standard Institution (BSi) for its activities in Quality, Environment and Occupational health and Safety.								
12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:									

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programme held	Topics/Principles covered under the training and its impact	%age of person in respective category covered by the awareness programmes
Board of Directors	2	Familiarisation programmes comprising matters relating to an array of issues pertaining to the business, regulations, economy and environmental, social and governance parameters.	100%
Key Managerial Personnel	12	All employees of the Company undergo various training programmes throughout the year. Owing to the pandemic, during the year, most trainings happened through teams platforms. They have spent around 40 man-hours of training	80%
Employees other than BoD and KMPs	24	All the site employees have been covered for the training on Integrated Management System.	100%
Workers	50	Worker induction program, Health and Safety, Use of PPEs, Work Permit System	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website): NIL
3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed: Not Applicable
4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy: Yes. PEL is committed to act professionally and fairly in all its business dealing and relationship and in continuous process of implementing and enforcing system to counter bribery and corruption in any form. Anti-bribery management system (ABMS) policy has been formulated and adopted by the Company to deal with bribery and corruption issue. The web link to the policy is <https://tinyurl.com/33b26ccy>
5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2021-22	FY 2020-21
Directors	None	None
KMPs	None	None
Employees	None	None
Workers	None	None

6. Details of complaints with regard to conflict of interest:

	FY 2021-22		FY 2020-21	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	No Complaint received	Nil	No Complaint received
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	No Complaint received	Nil	No Complaint received

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest: Not Applicable

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total No. of awareness Programme held	Topics/Principles Covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programme
Due to the Covid Situations, value chain interaction could not be held. We are in process of Sustainable Procurement Policy development and shall include value chain partners in training and taking their help in the coming financial year.		



2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same:

Yes, the Code of Conduct Policy is available for the Board of Directors and its Employees. The code of conduct is to ensure the disclosure of the policy to the appropriate authority to further take relevant actions, if required.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2021-22	FY 2020-21	Details of improvements in environmental and social impacts
R&D Capex	Given the nature of business of the Organisation, the relevance of the above is largely restricted to best available technology in the field of construction, IT where the organisation continuously keep on improving from the previous year. The organisation has spent substantially on development of IT infrastructure from past 6 years where provision of network, connectivity with the remote sites through telecom and internet facility, hardware and software Capex, during Covid time evolution of digital platform has resolved many connectivity issues and we have developed the capability for remote surveillance and generating real time data. On the other hand, PEL has abreast to the modern technology which includes the speedy tunnel boring machines, robotic shortcircuiting machine etc. The capex is approximately 80% of each project goes into modern updation.		The organisation has kept the environmental care through its ISO 14001 certification for all the site. Further, organisation does take care of the nearby habitant through generating local employment, providing them medical and other facilities and also building infrastructure to the near by places.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) If yes, what percentage of inputs were sourced sustainably?
- The Company has not initiated for the sustainable sourcing Policy as of now but it is intended to implement ISO 20400 & ISO 26000 to cater to the need of sustainable development in the Year 2022-2023.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

- (a) Plastics (including packaging)
- (b) E-waste
- (c) Hazardous waste and
- (d) other waste.

The major hazardous waste of our Industry is Construction and Demolition waste, metal scrap, and waste oil. The following is the process which has been adopted by the Company:

- a) Construction and demolition waste: The waste generated during the concreting is used to strengthen retaining walls and approach roads at project site.
- b) The concrete slurry is collected in the tanks which is also used for bricks making. The same is used for road constructions or it is used to give it back to local people for constructing their house.

- c) The metal Scrap : It is sent to the scrap dealer who in turns sends it back to the TMT bar manufacturers for the bar manufacturing
 - d) The burnt oil or waste oil from the DG set is also used as shuttering oil for the shuttering process as well the remaining waste oil is given to the authorised re-processors.
 - e) Waste paper for the office is sold to the paper dealer who sends it to the paper mills for the recycling.
 - f) Majority of the electrical waste at the project site is either repaired or it is sold under buy back agreement. The electronic waste is also collected and handed over the authorised E Waste reprocessor.
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

There is no such requirements as per contractual condition for the civil construction activities.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
4290	Constructions of dams, tunneling activities as well road construction	100%	Organization has not conducted any LCA but has considered the life cycle perspective in its planning and execution of ISO 14001: 2015 to all the sites. The design capability and the design strength of any hydropower plant is around 135 years and after that if any environmental impact if it is going to be there, it would be around 90% of construction and demolition waste. The technology evolution is continuous process, and we envisage by that time even 100% of the C&D waste will be reused back into the construction.	No	No



2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
C&D Waste	Land Pollution	Reuse of the entire waste in construction business
Disposal of hazardous waste like waste oil, tyres, oil filters, waste chemical containers, paint etc.	Land and Air pollution due to incineration and further secured land fill by the agencies.	Minimization of the waste, Appointment of OEM to handle all the construction equipment's and the waste management , green chemicals, curing chemical usage to minimize the water consumption

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2021-22	FY 2020-21
	Approximately 10% of the C&D waste is being used	

5. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2021-22			FY2020-21		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	NA	NA	5 tonnes per annum	NA	NA	Collected and kept for
E-waste	NA	NA	0	0	0	0
Hazardous waste	0	0	0	0	0	0
Other waste	0	0	0	0	0	0

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	NA

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

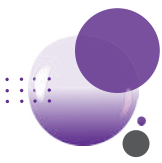
1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits*		Paternity benefits*		Day Care facilities	
	Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)	
Permanent employees											
Male	2,202	2,202	98%	2,202	98%	0	0%	0	0%	0	0%
Female	45	45	2%	45	2%	0	0%	0	0%	0	0
Total	2,247	2,247	100%	2,247	100%	0	0%	0	0	0	0
Other than Permanent employees											
Male	0	-	-	0	0%	-	-	-	-	-	NA
Female	0	-	-	0	0%	-	-	-	-	-	NA
Total	0	-	-	0	0%	-	-	-	-	-	NA

*No benefits availed during the year FY 2021-22

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
	Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)	
Permanent workers											
Male	0	0	0%	2,061	100%	-	-	-	-	-	-
Female	0	0	0%	0	0%	-	-	-	-	-	-
Total	0	0	0%	2,061	100%	-	-	-	-	-	-
Other than Permanent workers											
Male	0	0	-	2,023	100%	-	-	-	-	-	-
Female	0	0	-	0	0%	-	-	-	-	-	-
Total	0	0	-	2,023	100%	-	-	-	-	-	-



2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2021-22			FY 2020-21		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	covered under Workmen Compensation Act					
Others - please specify						

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Various offices of the Organization, including the registered and corporate office have ramps for easy movement of differently abled people. Most offices are either on the ground floor or have elevators and infrastructure for differently abled individuals. Wheelchair accessible restrooms are available in certain premises of the organization.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

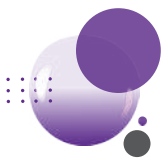
The Organization believes in equal opportunity for all its employees, wherein the Company is committed to provide an inclusive work culture and an environment free from any discrimination. PEL values and welcomes diversity and does not treat anybody differently based on their race, sex, religion/beliefs, disability, marital or civil partnership status, age, sexual orientation, gender identity, gender expression, caring responsibilities, or any other class of person protected by laws in the country. However, due to nature of business, the construction site are not in position to employ differently abled but for all the offices and corporate offices there is no hindrance.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male				
Female	No Employee has applied for parental leave in the year 2021-22			
Total				

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	<p>Human Resource function at the site has the process of handling all the types of grievances redressal mechanism in place as per HR Policy of the Company. The Head HR function also deals with any type of grievance in written or oral form. HR Head is accessible to all for lodging grievance and its redressal from them.</p> <p>PEL has always believed in open and transparent communication. Employees are encouraged to share their concerns with their business heads, HR or the members of the senior management. PEL has always followed an open door policy, wherein any employee irrespective of hierarchy has access to the senior management. In addition, the Corporate Whistleblower Policy Initiative provides a formal platform to share grievances on various matters. The details of the grievance mechanism are shared with employees through a specific module. New recruits are also sensitized on the various policy and mechanism and forms part of the employee induction program. The Company has a policy on prevention, prohibition and redressal of sexual harassment of women at the workplace and has an Internal Complaints Committee (ICC) in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The organizations policy on the same is placed on the Company website. The ICC comprises majority of women members. Members of the Corporation's ICC are responsible for conducting inquiries pertaining to such complaints.</p>
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	



7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2021-22			FY 2020-21		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total	0	0	0%	0	0	0%
Permanent Employees						
- Male	0	0	0%	0	0	0%
- Female	0	0	0%	0	0	0%
Total	0	0	0%	0	0	0%
Permanent Workers						
- Male	2,023	680	33.61%	2,023	680	33.61%
- Female	0	0	0%	0	0	0%

8. Details of training given to employees and workers:

Category	FY 2021-22 Current Financial Year				FY 2020-21 Previous Financial Year					
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
	No. (B)	% (B / A)	No. (C)	% (C / A)	No. (E)	% (E / D)	No. (F)	% (F / D)	No. (G)	% (G / D)
Employees										
Male	2389	2389	100%	2389	100%	2387	2387	100%	2432	100%
Female	45	45	100%	45	100%	45	45	100%	45	100%
Total	2434	2434	100%	2434	100%	2432	2432	100%	2432	100%
Workers										
Male	1836	1836	100%	1836	100%	1836	1836	100%	1836	100%
Female	0	0	100%	0	100%	0	0	100%	0	100%
Total	1836	1836	100%	1836	100%	1836	1836	100%	1836	100%

9. Details of performance and career development reviews of employees and worker:

Category	FY 22			FY 21		
	Current Financial Year			Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	2,202	2,202	100%	1,148	2,085	100%
Female	45	45	100%	45	45	100%
Total	2,247	2,247	100%	1,193	2,132	100%
Workers						
Male	2,023	2,023	100%	937	937	100%
Female	0	0	100%	0	0	100%
Total	2,023	2,023	100%	937	937	100%

10. Health and safety management system:

- a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, all the projects of PEL are certified for ISO 45001:2018. We ensure that all system requirements are fulfilled across the project sites through various inspections and audits. Our top management is committed to ensure the OH&S of workers during the project execution. We strive to achieve the “The mission Zero Harm” through various EHS programs and consultation and participation of workers.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The process of Hazard Identification and Risk Assessment is intended to establish a standard procedure for determining Occupational Health and Safety Risks and their overall significance relating to the organizational activities. Risks arise from the interaction between people, equipment, materials and the work environment. This Procedure is primarily concerned with personal injury and ill health risks and does not address damage to plant and equipment, except when such damage may injure people. The task of risk assessment should involve both identification of the hazards and undertake an evaluation of the impacts of the risks Involved.

To ensure that there is a formal process for hazard identification, risk assessment and control to effectively manage workplace and safety hazards at the construction sites of Patel Engineering Limited. A Hazard Identification and Risk Assessment (HIRA) document has been prepared that evaluates risk associated with a specific hazard and is defined by probability and frequency of occurrence, magnitude, severity, exposure, and consequences.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/No)

Yes, PEL has proper system and process to ensure the Occupational Health and safety of workers during project execution. We provide proper communication channels like verbal communication to Site supervisors, Walkie Talkies, intercom system for immediate transfer of OHS hazards associated with the work. Every day we conduct EHS Tool Box Talk where the site Incharge Explains the OHS hazards associated with the activities and the control measures are taken to eliminate the hazards or to reduce the risk. During the TBT we ensure the consultation of workers in OHS matters. Adequate supervision provided at site to identify and correct UAs/UCs immediately. All workers are instructed to remove themselves from any UAs/ UCs without any delay until necessary corrective actions taken.



- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, PEL provides first aid and medical centers at all our projects and full time competent first aiders are deployed round the clock. We deploy Part time Doctors at all our site to ensure detailed medical prescription to the workers. All sites are provided with emergency ambulance equipped with advanced medical devises. Periodical health check up campaigns are organized at site level to ensure non occupational medical help to workers and staff.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2021-22	FY 2020-21
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.39	0.28
	Workers		
Total recordable work-related injuries	Employees	4	3
	Workers		
No. of fatalities	Employees	3	1
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers		

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

PEL ensures a safe and healthy workplace across its project sites by implementing OH&S Management System (ISO 45001). Competent OH&S Officers are deployed at site to implement and monitor EHS Management system and to provide detailed advice on OH&S matters. We ensure that the risk associated with the project execution activities are under control and minimized as low as reasonably practicable through proper Hazards identification and Risk assessment process and implementing necessary control measures in an effective manner. Pre deployment medical screening and periodical health checkup of workers being done to ensure the health and fitness of workers. Several EHS programs like EHS walkthroughs, EHS Inspections, EHS audits, EHS Trainings, Tool Box Talks, Health campaigns, Skill medical tests, Permit To Work systems and EHS Awards are planned and implemented to improve safety culture at workplace. We ensure the participation of workers in all EHS programs through consultation, motivation and delegating EHS responsibilities. We always consider the safety of workers as prime goal and made arrangements to understand their needs, expectations and complaints and to take necessary corrective actions in a timely manner. We ensure that all necessary PPEs are provided to the workers to safeguard them from residual risk.

13. Number of Complaints on the following made by employees and workers:

	FY 2021-22		Remarks	FY 2020-21		Remarks
	Filed during the year	Pending resolution at the end of year		Filed during the year	Pending resolution at the end of year	
Working Conditions	5	0	-	4	0	-
Health & Safety	6	0	-	5	0	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

In continuation to the detailed investigations of incidents happened at various project sites, we have initiated horizontal deployment of following Corrective Actions to prevent further recurrence of similar incidence at project sites.

1. EHS Inspection checklist of all construction vehicles, equipment's and tools & Tackles are created, Inspections plan in Monthly Activity Plan and ensued that all inspections are carried out as per the plan.
2. Third Party Inspection of all lifting equipment's, tools and tackles made mandatory and ensured that inspections being conducted periodically.
3. Batch wise Tool Box Talk being conducted at all sites Daily/ shift wise.
4. Permit To Work system implemented for all high risk activities like Lifting and lowering operations, excavation and mining works, Tunnel works, Hot works, Work at height etc.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N). Yes. All the Employees has been covered under Accidental policy and all the workers covered under Employee compensation Act as well as Group personal Accident Policy.
2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

All the Contract laboureres are covered under Applicable Labour Laws and they are abide to pay statutory dues to the respective authority.
3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Employees	0	0	0	0
Workers	4	3	4	3

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? **(Yes/ No)** Yes, The transition Assistance is provided on the onset of the final leg of employability with PEL. The present method is to find out the ways and means of further association on contractual basis as per case to case basis where the need for experience and capabilities are assessed and contractual agreement is signed.
5. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, The transition Assistance is provided on the onset of the final leg of employability with PEL. The present method is to find out the ways and means of further association on contractual basis as per case to case basis where the need for experience and capabilities are assessed and contractual agreement is signed.



6. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100% all the site contractors must obey HSE requirements of PEL. HSE manual, with site safety plans, formats and also
Working Conditions	100%

7. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.
8. In continuation to the detailed investigations of incidents happened at various project sites, we have initiated horizontal deployment of following Corrective Actions to prevent further recurrence of similar incidence at project sites.
9. EHS Inspection checklist of all construction vehicles, equipment's and tools & Tackles are created, Inspections plan in Monthly Activity Plan and ensued that all inspections are carried out as per the plan.
10. Third Party Inspection of all lifting equipment's, tools and tackles made mandatory and ensured that inspections being conducted periodically.
11. Batch wise Tool Box Talk being conducted at all sites Daily/ shift wise.
12. Permit To Work system implemented for all high risk activities like Lifting and lowering operations, excavation and mining works, Tunnel works, Hot works, Work at height etc.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Any individual or group of individuals or institution that adds value to the business chain of the Patel Engineering Limited is identified as a core stakeholder. This *inter alia* includes employees, shareholders and investors, customers, channel partners and key partners, regulators, lenders, research analysts, communities and non-governmental organizations, suppliers amongst others

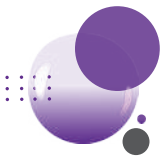
Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	Website, Newspapers, Stock Exchange Intimations, Emails, SMS, Courier etc.	Quarterly/ Half Yearly/ Annually	Investment, various projects undertaken by PEL. Bad investment, sustainable development, upcoming project information.
Customer	No	Emails, SMS and Meetings	As per project requirements	Progress review meeting, HSE meetings

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Regulators	No	Emails, Notice board, in person meeting	Quarterly/ Half Yearly/ Annually	All the consent requirements related to environment, health and sustainability
NGO	No	Meetings, emails	As per interaction requirement or query	For charity, for environmental or employment of the marginalised sections in the project area
Employees	No	Meetings, inductions, grievance addressal	As and when needed	Performance, leaves, education, training, career enhancement
Board of Directors	No	Meetings	Quarterly/ Half Yearly/ Annually	COC, POSH, upcoming project information, planning meetings etc.
Community	Yes	Meeting as well through email	Regularly at the project site locations	Engagement in employment, Corporate Social Responsibility Projects etc.
MSME	Yes	Engagement as supplier	Regularly at corporate office as well at project locations	Engagement through supplier development programme
Other than MSME suppliers	No	Engagement as supplier for sustainable growth	Regularly	Engagement through supplier development programme
Workers Permanent as well contractual	No	Engagement through Health and Safety Committee meetings, hazard identification etc.	Regularly	Safety committee meetings to ensure the safety at work place

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Organization has always maintained that a constant and proactive engagement with our key stakeholders enables the Corporation to better communicate its strategies and performance. A continuous engagement helps align expectations, thereby enabling the Organization to better serve its stakeholders. The board is kept abreast on various developments and feedback on the same is sought from the directors.



2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes process of consultation, participation and communication is in place and all the sites have a practice of Safety Committee meetings, Risk related to environment and Health and safety are identified, reported and action are taken accordingly. The Core team at the site receives the information of new hazards or the environmental risk, which is analyzed quantifiably and then control actions are determined with the help of the team members.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The stakeholder engagement are initiated with the overall goal of the organization towards one of the pioneer in nation building. The stakeholders are engaged through generating local employment opportunities, through Corporate Social Responsibility projects which are identified by the local Site management with the local authorities, gram panchayats and vulnerable society. The legal authorities are also reported from time to time as per compliance requirements.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2021-22			FY 2020-21		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	2247	2247	100%	1193	1193	100%
Other than permanent	-	-	-	-	-	-
Total Employees	2247	2247	100%	1193	1193	100%
Workers						
Permanent	2023	2023	100%	937	937	100%
Other than permanent	-	-	-	-	-	-
Total Employees	2023	2023	100%	937	937	100%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2021-22					FY 2020-21				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	-	-	-	-	0%	-	-	-	-	0%
Female	-	-	-	-	0%	-	-	-	-	0%
Other than Permanent										
Male	0	-	-	0	100	0	-	-	0	100
Female	0	-	-	0	0	0	-	-	0	-
Workers										
Permanent										
Male	2023	2023	100	-	-	937	937	100	-	-
Female	0	0	0	-	-	0	0	0	-	-
Other than Permanent										
Male	2061	2061	100	-	-	1800	1800	100	-	-
Female	0	0	0	-	-	0	0	0	-	-

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary / wages of respective category (in ₹)	Number	Median remuneration/ salary / wages of respective category (in ₹)
Board of Directors (BoD)	3	51,72,174	1	17,76,369
Key Managerial Personnel	2	33,95,805	2	21,00,304
Employees other than BoD and KMP	2242	11,66,525	45	10,83,000
Workers	2023	3,15,941	0	0

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. The Head HR of the Company oversees the human resources function in the PEL. In addition, the director in charge of business responsibility along with the executive directors are responsible for addressing any human rights issues caused or contributed by the business

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company regards respect for human rights as one of its fundamental and core values and strives to support, protect and promote human rights to ensure that fair and ethical business and employment practices are followed. The Organization is committed to maintain a safe and harmonious business environment and workplace for everyone, irrespective of the ethnicity, region, sexual orientation, race, caste, gender, religion, disability, work, designation and such other parameters. Patel Engineering Limited believes that every workplace shall be free from violence, harassment, intimidation and/or any other unsafe



or disruptive conditions, either due to external or internal threats. Accordingly, PEL has aimed to provide reasonable safeguards for the benefit of employees at the workplace, while having due regard for their privacy and dignity.

PEL also has zero tolerance towards and prohibits all forms of slavery, coerced labour, child labour, human trafficking, violence or physical, sexual, psychological or verbal abuse. As a matter of policy, PEL does not hire any employee or engage with any agent or vendor against their free will.

6. Number of Complaints on the following made by employees and workers:

	FY 2021-22			FY 2020-21		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	-	Nil	Nil	-
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour/Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights related issues	Nil	Nil	-	Nil	Nil	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Organization is committed to providing equal opportunities to all individuals and is intolerant towards discrimination and / or harassment based on race, sex, nationality, ethnicity, origin, religion, age, disability, sexual orientation, gender identification and expression (including transgender identity), political opinion, medical condition, language as protected by applicable laws. The Diversity & Inclusion Policy is in developmental stage where the objective of the policy is to ensure that the Company continues to be an employer for all diversity groups - gender identity, disability, caste, creed, colour, religion, marital status, age, sexual orientation and expression, medical condition, language and any other aspects as applicable, to create and foster an open culture of inclusion for all its stakeholders; and to create an environment which has zero tolerance for discrimination. Patel Engineering Limited also has a policy on prevention, prohibition and redressal of sexual harassment of women at the workplace and has an Internal Complaints Committee (ICC) in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Organization on a regular basis sensitizes its employees on the prevention of sexual harassment at the workplace through workshops, group meetings, online training modules and awareness programme which are held on a regular basis

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, in certain business agreements and contracts where relevant

9. Assessments for the year: 2021-2022

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	The Organisation is in compliance with the laws, as applicable.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.
- Not applicable.

Leadership Indicators

- Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.
The Company is of the belief that it has upheld the basic principles of human rights in all its dealings. This is in alignment with its Human Rights Statement. The Company regularly sensitizes its employees on the Code of Conduct through various training programs as well.
- Details of the scope and coverage of any Human rights due diligence conducted.
As mentioned above the due diligence is conducted with Code of Conduct.
- Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?
The registered and corporate office of the Patel Engineering have lifts for easy movement of differently abled visitors. Most of the offices are located in cities which may be on the ground floor or have elevators and infrastructure for differently abled visitors. Wheelchair accessible restrooms are available in certain offices of the Organisation. Patel Engineering limited is also building ramps in some of the offices for ease the movement of differently abled person. The persons in our offices are trained for extend all kinds of necessary assistance
- Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	The Organisation expects its value chain partners to adhere to the same values, principles and business ethics upheld by the Organisation in all their dealings. No specific assessment in respect of value chain partners has been carried out other than certain covenants where some of these parameters are being monitored closely.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

4. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.
- No corrective action is necessitated as mentioned above.



PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2021-22	FY 2020-21
Total electricity consumption (A)	301287970800000.00	106239077600000.00
Total fuel consumption (B)	939417545387519.00	838531312592536.00
Energy consumption through other sources (C)	1364429571187210.00	1656453761580090.00
Total energy consumption (A+B+C)	2605135087374730.00	2601224151772620.00
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	4076028845.76	284636264.72
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NO

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2021-22	FY 2020-21
Water withdrawal by source (in kilolitres)		
(i) Surface water	13655105.54	27227198.29
(ii) Groundwater	11410866.34	8827726.60
(iii) Third party water	1645281.00	309858.00
(iv) Seawater / desalinated water	0.00	0.00
(v) Others	0.00	0.00
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	26710352.88	36363282.89
Total volume of water consumption (in kilolitres)	26267311.56	36077598.89
Water intensity per rupee of turnover (Water consumed / turnover)	0.91	0.12
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No. The zero liquid discharge is not possible to be implemented due to nature of business. However the waste water discharge from the site is treated and reused.



5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 22 (Current Financial Year)	FY 21 (Previous Financial Year)
NOx	-	-	-
SOx	-	-	-
Particulate matter (PM)	g/kw-hr	0.09	0.12
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, GEO Globe Consultants is one of the agencies conducting third party inspections for our sites.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

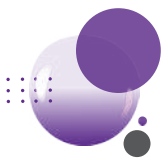
Parameter	Unit	FY 2021-22	FY 2020-21
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent		
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent		
Total Scope 1 and Scope 2 emissions per rupee of turnover			
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No. We shall initiate the collection of data and getting it evaluated from the external agency from financial year 2022-2023 onward

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

No, at present GHG calculation



8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2021-22	FY 2020-21
Total Waste generated (in metric tonnes)		
Plastic waste (A)	15.25	17.42
E-waste (B)	0	0
Bio-medical waste (C)	2	1.5
Construction and demolition waste (D)	Reused at site	Reused at site
Battery waste (E)	Buyback arrangement	Buyback arrangement
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	0	0
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	434.62	230.34
Total (A+B + C + D + E + F + G + H)	449.87	247.76
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste Plastic : Given to the vendor who in turns sends back to recyclers		
(i) Recycled	15.25	-
(ii) Re-used	0	-
(iii) Other recovery operations	0	-
Total	15.25	-
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	Oil filters , oil rugs	-
(ii) Landfilling	0	-
(iii) Other disposal operations	0	-
Total	-	-

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. We are certified for ISO 14001, ISO9001 and ISO 45001 and all our locations are also audited from time to time. The external agency conducts audits on the compliance.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company has adopted ISO 14001. We have created segregation of hazardous waste locations at all the sites. The hazardous waste associated with our activities are primarily oil contaminated rugs, oil filters and air filters as well waste oil which is collected and normally given to hazardous waste management body. Due to the site locations, the hazardous waste agencies of the state they cannot reach to us, the same is collected and sent them for either incineration or sent for secure land fill. The medical waste (bio medical waste) is also collected, and sent for incineration to the nearby hospital or the hospital with which we do have tie ups. The nature of the business allows you to restrict the usage of hazardous chemicals. We do use the construction chemicals which are used as per requirements.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	Sleemanabad Tunnel Project, Jabalpur Road, House no-08, Harsh Nagar, Katni, Madhya Pradesh-483501	Water carrier Tunnel construction	Y
2	Shongtong-Karchham H.E. Project, Rekong - PEO, District Kinnaur, Himachal Pradesh - 172 107	Hydro Electric Power project Construction	Y
3	Parnai HE Project, P.O. Draba, Teh. Surankote, Dist.:Poonch - 185122, J&K	Hydro Electric Power project Construction	Y
4	USBRL-T2, IRCON Project, Vill+Po: Bhaga, Tel: Katra, Dist: Reasi, Pin-182311, Jammu and Kashmir	Railway tunnel Construction	Y
5	USBRL, T-15 Project, Village-Chakani, Sangaldan, Tehsil-Gool, District-Ramban, Jammu & Kashmir-182144.	Railway tunnel & Bridge Construction	Y
6	Kundah Pumped Storage HEP, 4E Type Quarters, Block No: 8, House no:3, Emerald Camp, PO: Emerald-, Pin-643209, Dist.: Nilgiri, Tamil Nadu	Hydro Electric Power project Construction	Y
7	ARUN III H. E. Project, Near SAPDC Complex, Tumlingtar, Khandbari -9 Dist : Sankhuwasabha, Nepal	Hydro Electric Power project Construction	Y
8	AMT-II Tunnel Project, Hegdewar Udhyan, Near Vidhya Bhawan High School, Barrister Nath Pai Nagar, Ghatkopar East, Mumbai, Maharashtra	Water carrier Tunnel construction	Y
9	Sela Road- Tunnel Project, C/O - Mr. Dor Sonam, Vill - Senge, P.O. - Dirang, Dist - West Kameng, Arunachal Pradesh - 790101	Road tunnel Construction	Y
10	Kiru Hydro Electric Project, Village Keroo / Galhar Bhata, Tehsil Nagseni, P.O Kishtwar District Kishtwar. (Jammu and Kashmir)	Hydro Electric Power project Construction	Y
11	Subansiri Lower Project, NHPC Ltd.C.O Dollungmukh, Kolaptukar, Distt- Kamble, Arunachal Pradesh-791120	Hydro Electric Power project Construction	Y
12	Luhri HEP Stage-I, Village Nirath, Post Dattnagar, Tehsil Rampur, Dist. Shimla.	Hydro Electric Power project Construction	Y



11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Shongtong karcham hydro electric project 450MW Parnai USBRL (T-2), construction of two tunnel 5130 mtr long each. Construction of Tunnel T-15, part, Tunnel T-14 Including Bridge No. - 61 (Between Km 73.785 to Km 86.848 approx.) on Katra-Banihal Section of Udhampur-Srinagar-Baramulla New BG Railway Line Project (Package T-15), over an Area of 0.4751 ha.(3,00,000 cubic metre) Kundah Pumped Storage Hydro Electric Project (4x125MW) ARUN 3 HEP (900) Nepal - Power House, Surge Shaft, ADIT 4, VPS AMT II Sela Pass Kiru NHPC Subansiri Lower Hydro Electric Project (2000MW) LUHRI HEP STAGE-I Hydroelectric Project Teesta VI Hydroelectric Project					

EIA is carried out by the client before the project handover. EIA assessment is carried with all the approvals from Ministry of Environment, Government of India and Forest department.

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
	There is no non-compliance of any environmental compliance requirements. All the legal requirements and environmental statements are filled and submitted. No notice or show cause notice was received from pollution control board in any of our project.			

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2021-22	FY 2020-21
From renewable sources		
Total electricity consumption (A)	229271151600000.00	74802084800000.00
Total fuel consumption (B)	0.00	0.00
Energy consumption through other sources (C)	0.00	0.00
Total energy consumed from renewable sources (A+B+C)	229271151600000.00	74802084800000.00
From non-renewable sources		
Total electricity consumption (D)	310652046000000.00	107452846400000.00
Total fuel consumption (E)	1855902605294280.00	1672808470017810.00
Energy consumption through other sources (F)	1364429571187210.00	1656453761580090.00
Total energy consumed from non-renewablesources (D+E+F)	3527788953230600.00	3434531181067110.00

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

2. Provide the following details related to water discharged:

Parameter	FY 2021-22 (Current Financial Year)	FY 2022-21 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

The activities that involves water discharge are made sure that there is no direct discharge of water in the natural environment.

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.
No



3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): Not Applicable as ours is temporary sites and we tap water from river or mountain to serve the purpose of Dam constructions. In all conditions the water used is purely for construction, washing purpose only. There is no hazardous chemicals or waste water is discharged to the streams or sent to underground water table.

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2021-22	FY 2020-21
Water withdrawal by source (in kilolitres)		
(i) Surface water	13655105.54	27227198.29
(ii) Groundwater	11410866.34	8827726.60
(iii) Third party water	1645281.00	309858.00
(iv) Seawater / desalinated water	0.00	0.00
(v) Others	0.00	0.00
Total volume of water withdrawal (in kilolitres)	26711252.88	36364782.89
Total volume of water consumption (in kilolitres)	26267311.56	36077598.89
Water intensity per rupee of turnover (Water consumed / turnover)	0.01	0.01
Water intensity (optional) – the relevant metric may be selected by the entity	0.00	0.00
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	Yes	Yes
- No treatment	No discharge is done directly in the natural flow of water	
- With treatment – please specify level of treatment		
(ii) Into Groundwater	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(v) Others	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2021-22	FY 2020-21
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent		
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

The scope 3 emission data not available due to process for measuring the scope 3 emission data yet to be established. Since the project locations are remote part and multisite operations, the emission data from upstream and downstream at present not being calculated, The same is going to be addressed in the coming year 2022-2023 report onwards.

Note: Indicate if any independent assessment / evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

All the Governmental project sites, the EIA reports contains the biodiversity analysis and accordingly there may be impacts on the human populations which may get relocated. The action required are taken by the client before the handover of the site for development. Patel Engineering Limited help in rehabilitation, job creation, providing infrastructure support by building roads, proving clean water, sanitation, health services voluntarily

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
01	Wherever possible buying green energy at the source of project site.	Trying to power source from hydro or solar at all the project sites where ever captive power source is needed	Carbon saving
02	Use of construction and demolition waste in construction	All the project site will use the concrete waste generated at the site by recycling it.	Waste converted to resource.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

All the project sites have approved disaster management plan which is also strengthened with the regular drills conducted at the site. All the project locations mostly buy material from the local area or the vendors are developed from the local area. The storage capacity has been developed in such a way that minimal hinderance to the business is ensured. The type of activity is constructions where manpower is employed for a temporary period of time. The end product of our activities results in carbon savings.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

No Significant environmental impact due to Dam and Hydroelectric power plants.



9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts. Presently we ask for Environmental ISO 14001 certification from the organisation. This will be initiated in FY 22-23

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

- a. Number of affiliations with trade and industry chambers / associations. 04
- b. List the top 10 trade and industry chambers / associations (determined based on the total members of such body) the entity is a member of / affiliated to.

S. No.	Name of the trade and industry chambers / associations	Reach of trade and industry chambers/ associations (State/National)
1	Central Board of Irrigation and Power	National
2	Construction Federation of India	National
3	Federation of Indian Export Organisations	National
4	National Safety Council	National

6. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
There is no issue related to anti-competitive or any adverse orders passed by regulatory authorities which need to be addressed by PEL		

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
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PEL executives have, over the years, played a key role in designing the hydroelectric power plants for the civil construction areas in association with its own client. Patel Engineering limited has been invited Recognising expertise, industrial bodies have invited PEL's executives to join a number of committees and task forces related to Construction projects of national Importance. As such, the Organisation does not take part in any lobbying.

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Not applicable for construction business. It is carried out by our clients

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
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SIA as well as environmental Impact assessment are carried out by our clients. Rehabilitation of the population is planned by the client with due consideration of impact assessment and agreement of the community. We work as a EPC contractor to carry out construction activities and we receive work order as per civil contract.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
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Rehabilitation and Resettlement of the project affected people are carried out by the Client. PEL has no role in any human resettlement and rehabilitation.

3. Describe the mechanisms to receive and redress grievances of the community.
The Community people at local level for their needs are dealt with consultation of client if required.
4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2021-22	FY 2020-21
Directly sourced from MSMEs/ small producers	1%	1%
Sourced directly from within the district and neighboring districts	30%	31%

Leadership Indicators

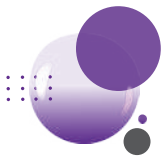
1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not applicable to the Company as this comes under client's (employer's) scope of work.	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
Nil			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes/No) (b) From which marginalized / vulnerable groups do you procure?



No such preferential procurement policy in existence. Most of the major supplies are from the client approved vendor where cost, quality and delivery factors are decided by the client. However whatever purchased at site we try to procure from MSME as well SME enterprises.

(c) What percentage of total procurement (by value) does it constitute?

1% of the total procurement is from the MSME

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
	Not Applicable			
	All detailed drawings and planning are prepared and approved by client			

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		
All detailed drawings and planning are prepared and approved by client		

6. Details of beneficiaries of CSR Projects:

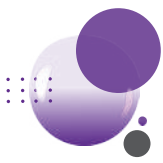
S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
	Tunnel Project - USBRL T 15		
	Potable Water is being provided by tankers to areas near the Project site viz. Sangaldan Police Station, Sangaldan Public Health Center, Sangaldan Market (Road Cleaning once in a week), Bhat Mohalla, Peer Mode, Chakhanni, Baralla, Kushala, Kartar Mode, Ind on continuous basis. Previously, people in this area were using spring water which is impure & mostly contaminated with soil impurities. The water source used to go dry during summer season. The percentage of water borne diseases reduced drastically because of aid provide by the Company.	4000	40%

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
	<p>Providing ambulance Services on continuous basis for all residents/locals near the Project area viz. Mawalkote, Chakhanni, Baralla, Kushala, Kartar Mode, Ind on continuous basis. There is only one Ambulance with Sangaldan PHC which is stationed at a distance of more than 25 kms. at Sangaldan. It was difficult for patients & in case of emergencies to go to Sangaldan or Ramban District Hospital (70 kms.). Our Ambulance Service is available 24 X 7 throughout the year.</p>	3000	Anyone can use
	<p>Bus Service facility (free of charge) on continuing basis for residents & students near Project area viz. Bhat Mohalla, Peer Mode, Chakhanni, Baralla, Kushala, Kartar Mode, Ind. This area is situated on the top of mountain. There is no mode of transport for going to nearest market place – Sangaldan. It was difficult for students to attend school located at Sangaldan. They walked all the way to school which is 25 Km from the market place. Now students attend the school well in time & come back home safely in the evening. Women of the house also can go to local market for purchasing groceries & other household material.</p>	All local residents can use it.	Every one
	Tunnel Project USBRL - T 2		
	<p>Medicine aid: Providing face mask, Sanitizers, COVID -19 Vaccines (1st & 2nd Doses), Vitamin -C Tablets and medicines for common ailments. All the patients are from surrounding villages (Sirla, Kotli, Bhaga and Chamaida)</p>	Covid rescue mission	All the affected population of the nearby area
	<p>Maintenance Public Roads: Maintenance works includes Muck filling & Soil filling, dozing and compaction on the various locations of link roads in villages (Sirla, Kotli and Chamaida). Maintenance work were frequently done after rain fall.</p>	For the civic body to ease the traffic for all the users	All the affected population of the nearby
	<p>Road Protection work: Protection works includes wire crate walls, Retaining wall (for Avoiding landslides and shooting stones) and Drainage work along road side for proper channelization of water in nearby villages.</p>	Avoiding landslides and shooting stones	For all the road users
	<p>School Ground: Government High School, Sirla, Bhaga. (Area of ground =25 X 30=750 Sqm) Excavation & Surface Levelling, Hard rock removal, Soil filling. Compaction and Levelling with JCB.</p>	To provide school children good place to play	For school children



S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
	Repairing of Water Pond & restoration of Water Supply tank for local consumption: - Drinking Water Tanker (JK20-6954) was supplied twice a month during summer for Villagers in Sirla, Bhaga, Kotli, Kariana and Chamaida due to water shortage in the Main sources & surrounding ponds. - Repairing work of water pond includes bottom surface cleaning ,levelling, Muck filling, 100mm thick invert P.C.C and plastering works through out.	To help the villagers to have access to water during summer time	For 5 villages
Hydro Project KIRU HEP			
	Provided Computers & Furniture to Government Girls Higher Secondary School, Kishtwar, District Kishtwar.	Education and training to the school in girls' education sector	Approximately 200 children
	Renovation of Public Road and foot path near Project Site. The road is from highway approaching to Piyas village that will benefit the local villagers of Piyas Panchayat.	Road work and foot path to ease commutation	Road renovation
	To facilitate Isolation Centre at the Project site to accommodate Covid patients from the villages, purchase of safety equipment and Medicines for COVID-19 patients. This facilities could benefitted around 100 villagers.	Covid rescue mission 100 villagers	100 villagers
	Construction of water storage tank near Village Chicha. This storage facility provides continuous water supply to the villagers throughout the year.	Water supply for domestic use	1000 villagers are able to get the water
	On July 28 th a cloudburst occurred at village Hunzar in Kishtwar District in which the village got damages and several villagers lost their lives also. For some Relief and Rehabilitation to the flood affected people of Hunzar Village, we had provided the material to reconstruct their shelters.	Shelter material for flood affected people	
Luhri Hydro Project			
	Civil work for Dispensary facility to Local villagers at Nirath Village.	Medical facility	One complete village
Subansiri Hydro Project			
	Subansiri Hydro project is located at a remote and socio and economically weak area. Considering this aspect, Company constructed Volley ball court/badminton court at Dolumukh Village for the local youths so as to make a place for their talent growth and also make them physically fit.	Sports encouragement	Complete Dolumukh village around 800 villagers

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
	Condition of the Road from Vibekanand Kendriya Bidyalay, Dolumukh to Dolumikh Police Station was not in a shape for pedestrians. The locals approached the Project site for PCC road for smooth walking and also for vehicular movement. Certain amount was spent towards improvement /repair of the Roads.	To develop the roads for locals to ease the vehicular movement	
	Potable drinking water at Dolumukh village to facilitate 24 hours water supply.	Drinking water project for the villagers	Potable drinking water plant for entire village
	Levelling of the land for human settlement and construction of houses therein. Providing farming for thier livelihood and making the land suitable for children at the village to play.	Land leveling and settlement of nearby habitant	Around 50 villagers
	Hydro Electric Project Kundah Pumped Storage		
	Installation of Water supply pipeline for Kattukuppai village: Location – Kattukuppai village Total Population of Village – 80 no’s Reason for Installation – Drinking Purpose Scenario before Installation – Facing issues in availability of drinking water. Work Description - Pipeline has been installed from 1km apart from the village to the Tank which has been installed for drinking water purpose.	Installation of water supply line to make available water	1 km pipeline was installed to ensure water supply
	Renovation work for Government school in Gandhikandi village: School Name - Government Elementary School. Location – Gandhikandi Village Work Description - Repairing of Roof, Toilets, Pipeline, Painting work etc.	Repairing and renovation of school	School children of elementary school
	Financial assistance for Sports Education		
	Company has provided aid for nationally recognized sports education	Sports aid	For education on sports



PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The organization is engaged in EPC project which is duly monitored by the Client either directly or through project management Consultants. The project wise progress review as well any kind of modification, structural changes and any kind of complaints including complaints related to Environmental, Health and Safety are discussed with client at site or in their project office periodically. All such complaints are handled and resolved directly.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2021-22		Remarks	FY 2020-21		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-
Cyber-security	Nil	Nil	-	Nil	Nil	-
Delivery of essential services	Nil	Nil	-	Nil	Nil	-
Restrictive Trade Practices	Nil	Nil	-	Nil	Nil	-
Unfair Trade Practices	Nil	Nil	-	Nil	Nil	-
Other	Nil	Nil	-	Nil	Nil	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	We are not manufacturing consumer goods. Hence it is not applicable.	
Forced recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

At present we don't have any such policy. But the data is secured through servers which have protection of all kind of malware, trojans, viruses etc. The email servers are also protected at the organization level.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

No such corrective action required as no such issues are in place.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).
All the product and project related information are available at www.pateleng.com. All the company policies are mentioned in the investor section on the website. Further, people can do reach to us and all the email addresses are mentioned on the website. The downloadable form of reports , annual reports, BRSR reports are also uploaded on the website.
2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.
We don't have any such product. The project safety plan at the worksite is good enough to take care of project safety for all the people associated with the project.
3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.
Not applicable
4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)
Not applicable due to nature of product
5. Provide the following information relating to data breaches:
 - a. Number of instances of data breaches along-with impact
 - b. Percentage of data breaches involving personally identifiable information of customers

There is no data breach till date. All the customer sensitive data is secured with confidentiality agreement with the user and the customer.



Independent Auditor's 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"), and its associates, which comprise the Consolidated Balance Sheet as at March 31, 2022, 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, and its associates as at March 31, 2022, their consolidated profit 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 Group and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI), 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 dated May 23, 2022 on the financial statements for the year ended March 31, 2022 have drawn attention with respect to Note No. 47 regarding cost incurred by the Group through Les Salines development Ltd ('LSDL') for development of real estate project at Mauritius, where notice dated June 4, 2015 was received from Government of Mauritius for the termination of Lease Agreement entered on December 11, 2009 with LSDL (a step down subsidiary of Waterfront Developers Limited). 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 Group for the year ended March 31, 2022 include the financial statements of the subsidiaries Hera Realcon Private Limited, Shreeanant Construction Private Limited and Energy Design Private Limited, (not significant subsidiaries), 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.

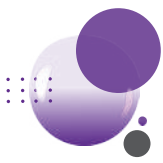
3. The Independent Auditors of Patel Energy Resources Limited, have without qualifying their audit report dated April 26, 2022 on the consolidated financial statements for the year ended March 31, 2022 have drawn attention to Note No. 15(11) of the Dirang Energy Private Limited ('DEPL') which indicates that the project of the DEPL has been temporarily stopped. However, based on the management estimate to get a favourable order from the competent authority and on adequate net worth and financial support from holding company, the financial statements of the DEPL have been prepared on a going concern basis for the reasons stated in the said note.

Our opinion is not modified in respect of 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 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.

Sr.	Key Audit Matter	Auditor's Response
1	<p>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"</p> <p>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.</p> <p>Refer notes 1.k and 26 to the Consolidated Financial Statements.</p>	<p>Principal Audit Procedures</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • 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



Sr. No.	Key Audit Matter	Auditor's Response
		<ul style="list-style-type: none"> • 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	<p>Accounting of contract work-in-progress for engineering construction projects</p> <p>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.</p> <p>Refer notes 1.j and 10 to the Consolidated Financial Statements.</p>	<p>Principal Audit Procedures</p> <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • 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	<p>Valuation of claims under settlement</p> <p>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:</p> <ul style="list-style-type: none"> • Non acceptance of certain work by the client. • Cost overrun in certain contracts. • Reimbursement of the cost incurred by the company for the client. <p>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.</p> <p>Refer notes 1.k, 42 to the Consolidated Financial Statements.</p>	<p>Principal Audit Procedures</p> <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • 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. <p>Obtaining representation letter from the management on the assessment of these matters as per SA 580 (revised) – Written representations.</p>

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.

Management's responsibilities 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 Ind AS and other accounting principles generally accepted in India.

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 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 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 judgement 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 Holding Company has adequate internal financial controls with reference to consolidated financial statements 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 Holding 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 ₹ 5,002.35 Million as at March 31, 2022, total revenue of ₹ 229.55 Million, total profit (net) after tax of ₹ 190.20 Million and total comprehensive income (net) of ₹ 190.20 Million for the year ended March 31, 2022
 - ii. 21 joint operations, whose financial results reflect total assets of ₹ 2,160.97 Million as at March 31, 2022, Group's Share in total revenue after elimination of ₹ 3,326.81 Million, total profit (net) after tax of ₹ 108.48 Million and total comprehensive income (net) of ₹ 108.95 Million for the year ended March 31, 2022
 - iii. 23 subsidiaries, whose financial statements reflect net total assets of ₹ 17,380.05 Million as at March 31, 2022, total revenues of ₹ 4,970.97 Million, total net profit after tax of ₹ 67.67 Million, total comprehensive income (net) of ₹ 32.41 Million and net cash inflows amounting to ₹ 94.24 Million for the year ended March 31, 2022

- iv. 1 associate, whose financial statements reflect Group's share of net profit after tax of ₹ 136.74 Million for the year ended March 31, 2022

These Ind AS financial statements 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, joint operations, subsidiaries and associate 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, joint operations, subsidiaries and associate is based solely on the reports of such other auditors.

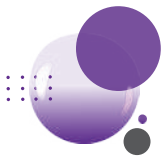
- 2. The accompanying Consolidated Financial Statements include unaudited financial statements and other unaudited financial information in respect of:
 - i. 9 unincorporated joint operations whose financial results reflect total assets of ₹ 212.68 Million as at March 31, 2022, Group's Share in total revenue after elimination of inter-company revenue, is NIL, total Profit (net) after tax of NIL and total comprehensive income (net) of NIL for the year ended March 31, 2022
 - ii. 4 subsidiaries, whose financial statements reflect net total assets of ₹ 529.15 Million as at March 31, 2022, total revenues of ₹ 26.77 Million, total net profit after tax of ₹ 10.65 Million, total comprehensive income of ₹ (35.19) Million and net cash inflows amounting to ₹ 4.87 Million for the year ended March 31, 2022
 - iii. 4 associates, whose financial statements reflect Groups share of net loss after tax of ₹ (104.51) Million for the year ended March 31, 2022

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 joint operations, subsidiaries 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 joint operations subsidiaries 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

- 1. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matter specified in paragraph 3(xxi) of CARO 2020.
- 2. 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 relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements;



- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 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 incorporated in India, none of the directors of the Group's companies and its associates incorporated in India, is disqualified as on March 31, 2022 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 with reference to these Consolidated Financial Statements, refer to our separate Report in "Annexure B" 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, 2022 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 48 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 was no amount which was required to be transferred to the Investor Education and Protection Fund during the year.
 - iv. (a) The respective Managements of the Company and its subsidiaries, and associate companies which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries and associates to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries and associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The respective Managements of the Company and its subsidiaries, and associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries and associates shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



- (c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- v. There is no dividend declared and paid during the year by the Holding Company, its subsidiary companies and associates.

For T. P. Ostwal & Associates LLP

Chartered Accountants

(Firm Registration No. 124444W/W100150)

T. P. Ostwal

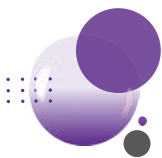
Partner

Membership Number: 030848

UDIN : 22030848AJKF0Q4841

Place : Mumbai

Date : May 23, 2022



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

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

With respect to the matters specified in clause (xxi) of paragraph (3) and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Holding Company, we report that in respect of those companies where audits have been completed under section 143 of the Act, there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements except for the following:

Sr. No.	Name of the Company	CIN	Relationship with the Holding Company	Clause number of the CARO report which is qualified or adverse
1	Patel Engineering Limited	L99999MH1949PLC007039	Holding Co.	i(c), vii(a), vii(b), xvii
2	Shreenant Construction Pvt Ltd.	U45200MH2005PTC158079	Subsidiary	vii (a), vii(b), xvii
3	PBSR Developers Pvt Ltd	U45209TG2012PTC078886	Subsidiary	vii(b), xvii
4	Friends Nirman Pvt. Ltd.	U70101MH2004PTC308856	Subsidiary	xvii
5	Zeus Mineral Trading Pvt. Ltd.	U51909MH2007PTC167522	Subsidiary	xvii
6	Patel Concrete & Quarries Pvt. Ltd.	U14200MH2008PTC178210	Subsidiary	xvii
7	Patel Lands Ltd.	U70100MH2010PLC207028	Subsidiary	xvii
8	Energy Design Pvt. Ltd.	U72900MH2009PTC193475	Subsidiary	xvii
9	Bhooma Realties Pvt. Ltd.	U45400MH2007PTC171064	Subsidiary	xvii
10	Shashvat Land Projects Pvt. Ltd.	U70102MH2007PTC171886	Subsidiary	xvii
11	Pandora Infra Pvt. Ltd.	U45201MH2006PTC164318	Subsidiary	xvii
12	Hampus Infrastructure Pvt. Ltd.	U74999MH2018PTC374634	Subsidiary	xvii
13	Hera Realcon Pvt. Ltd.	U70109MH2007PTC166825	Subsidiary	xvii
14	Michigan Engineers Pvt. Ltd.	U45300MH1973PTC016515	Subsidiary	vii (b)
15	Patel KNR Infrastructures Ltd.	U45201MH2006PLC162856	Subsidiary	vii (b), xvii, xx

For T. P. Ostwal & Associates LLP

Chartered Accountants

(Firm Registration No. 124444W/W100150)

T. P. Ostwal

Partner

Membership Number: 030848

UDIN : 22030848AJKFOQ4841

Place : Mumbai

Date : May 23, 2022

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

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

(Referred to in paragraph 2(f) under "Report on Other Legal and Regulatory requirement" section of our report of even date)

In conjunction with our audit of the Consolidated Financial Statements of Patel Engineering Limited (hereinafter referred to as the "Holding Company") which includes joint operations as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to the consolidated financial statements of the Holding Company which includes joint operations 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 with reference to the Consolidated Financial Statements based on the criteria established by the respective 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 ("the Guidance Note"). 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 Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the 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 prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Consolidated Financial Statements. 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 with reference to the Consolidated 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 with reference to the Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls with reference to the Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls 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 with reference to the Consolidated Financial Statements.

Meaning of internal financial controls with referenceto the consolidated financial statements

A company's internal financial control with reference to the 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 with reference to the 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 with reference to the consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to the 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 with reference to the Consolidated Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the 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 with reference to the Consolidated Financial Statements and such internal financial controls with reference to the Consolidated Financial Statements were operating effectively as at March 31, 2022, based on the internal control with reference to the Consolidated Financial Statements criteria established by the Holding Company considering the essential components of internal control stated in the guidance note.

Other matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to the Consolidated Financial Statements of the Holding Company, in so far as it relates to 1 branch, 23 subsidiaries and 1 associate, 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
(Firm Registration No. 124444W/W100150)

T. P. Ostwal

Partner
Membership Number: 030848
UDIN : 22030848AJKF0Q4841

Place : Mumbai

Date : May 23, 2022

Consolidated Balance Sheet

as at March 31, 2022

	Notes	As At March 31, 2022 ₹ Million	As At March 31, 2021 ₹ Million
I. ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	2	11,513.74	6,537.69
(b) Capital work-in-progress		2,826.38	6,786.06
(c) Intangible assets		9.31	3.87
(d) Goodwill on consolidation		283.86	283.86
(e) Financial assets			
(i) Investments	3	816.08	678.90
(ii) Trade receivables	4	4,935.47	4,420.83
(iii) Loans	5	766.19	704.41
(iv) Other financial assets	6	1,902.60	1,367.34
(f) Deferred tax assets (net)	7	1,973.68	2,002.80
(g) Current tax assets (net)	8	554.50	130.98
(h) Other non current assets	9	5,937.10	6,618.17
Total non current assets		31,518.91	29,534.91
2 Current assets			
(a) Inventories	10	35,905.80	36,302.81
(b) Financial assets			
(i) Trade receivables	4	5,619.27	4,336.35
(ii) Cash and cash equivalents	11	2,605.78	1,949.22
(iii) Other bank balances	12	7.15	10.88
(iv) Loans	5	106.08	297.37
(v) Other financial assets	6	718.89	775.01
(c) Current tax assets (net)	8	123.25	120.42
(d) Other current assets	9	8,496.26	7,428.05
(e) Assets classified as held for sale	13	-	116.00
Total current assets		53,582.48	51,336.11
TOTAL ASSETS		85,101.39	80,871.02
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	14	479.23	465.45
(b) Other equity		23,357.13	22,730.21
Equity attributable to owners of the parent		23,836.36	23,195.66
Non-controlling interests		714.11	612.90
Total Equity		24,550.47	23,808.56
2 Liabilities			
Non current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	7,607.14	7,533.37
(ii) Lease liabilities	16	191.83	270.84
(iii) Trade payables	17	-	-
a) Total outstanding dues of micro enterprises and small enterprises		-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		5,771.28	4,779.22
(iv) Other financial liability	18	1,912.39	1,478.17
(b) Provisions	19	148.54	119.96
(c) Other non current liabilities	20	6,821.76	7,727.71
(d) Deferred revenue	21	64.73	68.01
Total non current liabilities		22,517.67	21,977.28
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	15,008.98	15,130.52
(ii) Lease liabilities	16	110.45	27.25
(iii) Trade payables	23	-	-
a) Total outstanding dues of micro enterprises and small enterprises		96.84	45.62
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		13,141.20	12,050.97
(iv) Other financial liabilities	24	220.08	288.21
(b) Provisions	19	59.68	63.77
(c) Other current liabilities	25	9,396.02	7,478.84
Total current liabilities		38,033.25	35,085.18
TOTAL EQUITY AND LIABILITIES		85,101.39	80,871.02
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

T. P. Ostwal
Partner
Membership No. 030848

Place : Mumbai
Date : May 23, 2022

For and on behalf of Board

Rupen Patel
Chairman &
Managing Director
DIN : 00029583

Sunil Sapre
Director
DIN : 05356483

Kavita Shirvaikar
Chief Financial Officer &
Director
DIN : 07737376

Shobha Shetty
Company Secretary
Mem. No.: F10047



Consolidated Statement of Profit and Loss for the year ended March 31, 2022

	Notes	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
I. Revenue from operations	26	33,802.89	19,947.93
II. Other income	27	1,162.06	1,091.35
III. Total revenue (I + II)		34,964.95	21,039.28
IV. Expenses:			
Cost of construction	28	24,440.50	14,589.99
Employee benefits expense	29	2,665.24	2,013.32
Finance costs	30	4,195.27	4,013.92
Depreciation and amortization expense	2	818.99	720.25
Other expenses	31	1,419.99	998.26
Total expenses		33,539.99	22,335.74
V. Profit/(loss) before exceptional items and tax (III-IV)		1,424.96	(1,296.46)
VI. Exceptional items	32	304.94	2,141.66
VII. Profit/(loss) before tax (V - VI)		1,120.02	(3,438.12)
VIII. Tax expense:			
(1) Current tax		384.65	110.48
(2) Tax adjustments for earlier years		1.57	1.49
(3) Deferred Tax		47.54	(820.83)
IX. Profit/(loss) for the year (VII-VIII)		686.26	(2,729.26)
X. Share in profit / (loss) in associates (net)		32.23	(178.21)
XI. Net profit/(loss) after tax and share in profit / (loss) in associates (IX+X)		718.49	(2,907.47)
XII. Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(76.85)	40.86
(ii) Income tax relating to items that will not be reclassified to profit or loss		4.42	4.42
XIII. Total other comprehensive income		(72.43)	45.28
XIV. Total comprehensive income for the year (XI+XIII) (comprising profit / (loss) and other comprehensive income for the year)		646.06	(2,862.19)
XV. Minority interest		98.49	119.85
XVI. Owners of the parent (XIV- XV)		547.57	(2,982.04)
XVII. Earnings per equity share:			
(1) Basic	37	1.51	(6.78)
(2) Diluted		1.49	(6.78)
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

T. P. Ostwal
Partner
Membership No. 030848

Place : Mumbai
Date : May 23, 2022

For and on behalf of Board

Rupen Patel
Chairman &
Managing Director
DIN : 00029583

Sunil Sapre
Director
DIN : 05356483

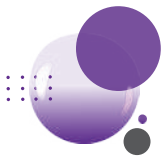
Kavita Shirvaikar
Chief Financial Officer &
Director
DIN : 07737376

Shobha Shetty
Company Secretary
Mem. No.: F10047

Consolidated Cash Flow Statement

for the year ended March 31, 2022

	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) after tax	718.49	(2,907.47)
Adjustment for:		
Depreciation/ amortisation	818.99	720.25
Tax Expenses	433.77	(708.85)
Finance charges	4,195.27	4,013.92
Interest income and dividend received	(589.12)	(590.84)
Foreign exchange loss/ (gain)	(118.67)	31.39
Provision for leave salary	28.78	11.05
Provision for gratuity	(4.29)	43.08
Share in associates	32.23	174.17
Share in Joint venture	(108.94)	(61.84)
Provision for impairment	224.64	769.35
Profit on sale of assets	(5.13)	(4.80)
Excess credit written back	(161.28)	(783.56)
Irrecoverable debts and advances written off	169.06	2,052.25
ESOP compensation expenses	0.44	1.08
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	5,634.24	2,759.19
Adjustment for changes in:		
Trade and other receivables	(2,416.26)	1,632.55
Inventories	211.94	(1,409.79)
Trade and other payables (excluding income tax)	2,755.51	1,027.25
Cash from operations	6,185.43	4,009.20
Direct tax paid	(812.19)	(122.16)
NET CASH FROM OPERATING ACTIVITIES (A)	5,373.24	3,887.04
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase) / adjustments of fixed assets (including capital work in progress and capital advances)	(1,814.00)	(1,334.76)
Sale of fixed assets	149.21	197.22
Decrease in loans to JV/ associates	144.54	31.33
Remeasurement of assets held for sale	1.00	196.12
Purchase of investments	(103.61)	90.72
Increase in other bank balances	84.42	48.31
Interest and dividend received	100.97	839.86
NET CASH FROM / (USED IN) INVESTING ACTIVITIES (B)	(1,437.47)	68.79



Consolidated Cash Flow Statement

for the year ended March 31, 2022

	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of shares	(0.00)	(0.00)
Proceeds from long term borrowings	2,724.74	1,968.80
Repayment of long term borrowings	(2,920.33)	(1,575.08)
Finance charges paid	(3,202.28)	(3,501.42)
NET CASH USED IN FINANCING ACTIVITIES (C)	(3,397.87)	(3,107.71)
Net increase in cash and cash equivalents (A+B+C)	537.90	848.12
Opening balance of cash and cash equivalents	1,949.22	1,132.49
Balance of cash and cash equivalents	2,487.11	1,980.61

Notes to Cash flow Statement

a) Cash and Cash Equivalents

Cash on hand and balance with banks	2,605.78	1,949.22
Effect of exchange rate changes	(118.67)	31.39
Closing cash and cash equivalents as restated	2,487.11	1,980.61

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, 2022	Opening balance	Cash flow	Non - cash changes	Closing balance
Borrowings (including short term borrowing, long term borrowing & current maturity & lease liability)	22,961.98	(195.59)	152.01	22,918.40
	22,961.98	(195.59)	152.01	22,918.40
March 31, 2021	Opening balance	Cash flow	Non - cash changes	Closing balance
Borrowings (including short term borrowing, long term borrowing & current maturity & lease liability)	23,421.58	393.72	(853.32)	22,961.98
	23,421.58	393.72	(853.32)	22,961.98

As per our report of even date

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

T. P. Ostwal
Partner
Membership No. 030848

Place : Mumbai
Date : May 23, 2022

For and on behalf of Board

Rupen Patel
Chairman &
Managing Director
DIN : 00029583

Sunil Sapre
Director
DIN : 05356483

Kavita Shirvaikar
Chief Financial Officer &
Director
DIN : 07737376

Shobha Shetty
Company Secretary
Mem. No.: F10047

Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

(A) EQUITY SHARE CAPITAL

Particulars	Number of shares	₹ Million
Equity shares of ₹ 1 each issued, subscribed and paid		
As at 31 March 2020	408,178,292	408.18
Issue of equity shares	57,274,732	57.27
As at 31 March 2021	465,453,024	465.45
Issue of equity shares	13,777,470	13.78
As at 31 March 2022	479,230,494	479.23

(B) OTHER EQUITY

Particulars	Reserves and surplus										₹ Million	
	Equity component of compound financial instruments	Capital reserve	General reserve	Securities premium	Debt redemption reserve	Stock option outstanding account	Foreign currency monetary item translation difference	Capital redemption reserve	Surplus in the attributable statement of profit and loss	Total equity to equity holders		Non - Total equity controlling interest to equity holders
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
- 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	160.93
- 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	14,939.98	30.64	1.56	385.61	300.00	3,794.23	22,730.21	612.90	23,343.11
- Profit for the year	-	-	-	-	-	-	-	-	620.00	620.00	98.49	718.49
- Other comprehensive income for the year	-	-	-	-	-	-	30.57	-	(103.00)	(72.43)	-	(72.43)
- Adjustment during the year	-	-	-	-	-	-	-	-	-	-	2.72	2.72
- Adjustment on account of consolidation of joint venture	-	-	-	-	-	-	-	-	(108.94)	(108.94)	-	(108.94)
- Issued during the year	-	-	-	189.85	-	-	-	-	-	189.85	-	189.85
- Stock option	-	-	-	-	-	(1.56)	-	-	-	(1.56)	-	(1.56)
As at March 31, 2022	-	277.57	3,000.62	15,129.83	30.64	0.00	416.18	300.00	4,202.29	23,357.13	714.11	24,071.24

Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

Capital reserve: The Company recognizes reserve on investment in partnership 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 Company Act, 2013 and amendment thereof.

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 Group 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, 2022

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 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 consolidated financial statement have been approved for issue by Board of Directors at their meeting held on May 23, 2022.

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.

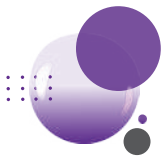
The consolidated financial statements are presented in Indian Rupees and all values are rounded to the nearest millions (Rupees 000,000), except where otherwise indicated. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding off.

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, 2022

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 definition 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.



Notes to Consolidated Financial Statements for the year ended March 31, 2022

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 equipment's	6 years
Office equipment's	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 equipment's - 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.

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



Notes to Consolidated Financial Statements for the year ended March 31, 2022

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 recognised 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.



Notes to Consolidated Financial Statements for the year ended March 31, 2022

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, 2022

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

Notes to Consolidated Financial Statements for the year ended March 31, 2022

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



Notes to Consolidated Financial Statements for the year ended March 31, 2022

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.

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 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

Notes to Consolidated Financial Statements for the year ended March 31, 2022

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.

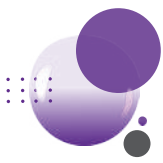
x) Preliminary and preoperative expenses

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

y) Non-current assets held for sale and 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.



Notes to Consolidated Financial Statements for the year ended March 31, 2022

z) Standards issued but not yet effective

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The company does not expect the amendment to have any significant impact on its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments specifies that excess of sales proceeds of items produced over the cost of testing, if any shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The Company does not expect the amendment to have any significant impact on its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact on its financial statements.

Ind AS 41 – Agriculture – Fair Value measurement

The amendment aligns the fair value measurement in Ind AS 41 with requirements of Ind AS 113 – Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post tax cash flows and discount rates for the most appropriate fair value measurement. The company does not expect the amendment to have any significant impact on its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact on its financial statements.



Notes to Consolidated Financial Statements for the year ended March 31, 2022

Note : 2 PROPERTY, PLANT AND EQUIPMENT AS AT MARCH 31, 2022

Particulars	Gross Block				Depreciation		Net Book Value		
	As at April 1, 2021	Addition	Deduction/ Retirement	Sub Total	For the year	Deduction	Sub Total	As at March 31, 2022	As at March 31, 2021
TANGIBLE ASSETS									
Land ¹ :	2,464.45	4,239.48	-	6,703.93	-	-	-	6,703.93	2,464.45
Building ²	623.34	6.07	113.13	516.28	12.33	13.74	207.44	208.82	308.93
Plant and equipment ³	7,490.30	1,319.03	386.17	8,423.16	0.10	352.63	4,669.40	4,669.49	3,753.77
Furniture and fixtures	95.44	6.05	0.34	101.15	0.07	0.06	91.88	91.95	9.27
Vehicles ⁴	1,392.70	241.75	16.76	1,617.69	0.07	15.46	1,201.48	1,201.55	416.21
Office equipment ⁵	63.27	6.42	0.01	69.68	0.05	-	61.28	61.33	8.40
Others ⁶	40.07	5.28	10.69	34.66	-	1.34	28.72	28.72	5.94
Electric equipment	113.44	39.41	0.31	152.54	0.19	0.19	88.41	88.41	64.13
Computer equipment ⁷	132.93	18.80	0.37	151.36	0.06	0.36	120.13	120.19	31.23
Container	11.35	0.19	-	11.54	0.06	-	7.60	7.60	3.94
Total	12,427.29	5,882.48	527.78	17,781.99	1.82	383.78	6,476.34	6,478.06	11,305.74
RIGHT TO USE									
Building	3.69	28.81	-	32.50	5.60	-	7.90	7.90	24.60
Land	-	3.15	-	3.15	1.06	-	1.06	1.06	2.09
Plant and equipment	468.90	21.49	0.13	490.26	65.97	0.05	315.90	315.90	174.36
Vehicles	12.06	-	-	12.06	1.46	-	5.12	5.12	6.94
Total	484.65	53.45	0.13	537.97	74.09	0.05	329.98	329.98	207.99
Less : Transferred to Capital WIP	-	-	-	-	2.50	-	-	-	-
TOTAL TANGIBLE ASSETS AND RIGHT TO USE	12,911.94	5,935.93	527.91	18,319.96	815.91	383.83	6,806.32	6,808.04	11,513.73
INTANGIBLE ASSETS									
Computer software	61.12	8.52	-	69.64	3.08	-	60.33	60.33	9.31
Goodwill	283.86	-	-	283.86	-	-	283.86	283.86	283.86
Total	344.98	8.52	-	353.50	3.08	-	60.33	60.33	293.17
Capital Work-In-Progress	6,786.06	2.61	3,977.45	2,811.22	15.16	-	2,826.38	2,826.38	6,786.06
GROSS TOTAL	20,042.98	5,947.06	4,505.36	21,484.68	16.98	383.83	6,866.65	6,868.37	14,633.28

1. Title deeds of immovable property not held in the name of the Company:

Particulars	Description of items of property	Gross carrying value	Title deed held in the name of	Whether title deed holder is a promoters, director or relative of promoters / director / employee of promoters or director	Property held since which date	Reason for not being held in the name of company
Property Plant & Equipment	Land	6,360.91	PEL Power Limited, Jayshe Gas Power Pvt Ltd, Patel Energy Assignment Pvt Ltd, Patel Energy Operations Pvt Ltd, Patel Energy Projects Pvt Ltd, Patel Thermal Energy Projects Pvt Ltd, PEL Port Pvt Ltd	Step-down subsidiaries company of Patel Engineering Limited	FY 2021-22	Entities are part of merger scheme and they will merge with the Company on receipt of merger order from competent authority
Property Plant & Equipment	Land	8.02	Mr. Muthuraj	Employee	FY 2009-10	Ownership of asset by directors / officials of the Company was
Property Plant & Equipment	Land	23.71	Mrs. Silloo Yezdi Patel	Ex-director	FY 2001-02	permitted as per Companies Act. The land was purchased accordingly.
Property Plant & Equipment	Land	4.07	Mr. Rupen Pravvin Patel	Director	FY 2000-01	

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

2. a) Building includes building [gross block - ₹ 349.16 million (P.Y. ₹ 444.07 million), accumulated depreciation ₹ 119.47 million (P.Y. ₹ 120.84 million)] and factory building [gross block - ₹ 187.45 million (P.Y. ₹ 182.96 million), accumulated depreciation ₹ 96.60 million (P.Y. ₹ 90.37 million)]
- b) Includes ₹ 0.0083 million (₹ 0.0083 million) being the value of 165 shares (P.Y. 165 shares) and share deposits in Co - operative Societies
3. Includes assets costing Nil (PY ₹ 37.37 million) not commissioned/erected/put to use, Nil (P.Y. Nil) towards exchange rate difference.

	₹ Million	
4. Vehicles includes	Gross block 2021-22	Acc dep. 2021-22
Motor car	335.40	255.17
Motor truck	1,290.79	948.39
Motor cycle	3.62	3.06
	318.54	237.73
	1,082.59	906.79
	3.62	2.81
5. Others include	Gross block 2020-21	Acc dep. 2021-22
Ship	0.06	0.06
Rails and trolley	40.01	28.65
	0.06	0.06
	40.01	28.91

6. Capital work in progress (CWIP) ageing schedule

Particulars	₹ Million			
	Less than 1 years	1-2 years	2-3 years	More than 3 years
Project in progress	55.93	0.69	124.42	957.14
Project temporary suspended*	0.30	87.11	442.97	1,157.83
				1,688.20

* Company is in process of negotiation with the client for revival of the projects and expect that estimated realisation from the project shall be whether through sale on as and whereas basis or execution of project upon revival, is more than the carrying value of the assets. Therefore, expected completion schedule and cost cannot be ascertained at this juncture.

Notes to Consolidated Financial Statements for the year ended March 31, 2022

NOTE : 3 INVESTMENT

	March 31, 2022 ₹ Million	March 31, 2021 ₹ 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	8.25	16.84
In associates		
Other investments (accounted under equity method)		
2,66,72,000 shares (2,66,72,000) of Raichur Sholapur Transmission Co. Pvt. Ltd., F.V. ₹ 10/- per share	111.13	173.53
1,00,06,000 shares (1,00,06,000) of Patel KNR Heavy Infrastructures Ltd., F.V. ₹ 10/- per share	306.10	169.35
52,600 shares (52,600) of Pan Realtors Pvt. Ltd. Face Value ₹ 10 per share	-	-
5,000 shares (5,000) of PLS Pvt. Ltd., F.V. LKR.10/- per share	2.82	4.04
84,95,040 shares (84,95,040) of ACP Tollways Pvt. Ltd., F.V. ₹ 100/- per share (includes goodwill of ₹ 2.77 million)	150.00	246.99
2,40,19,600 shares (2,40,19,600) of Hitodi Infrastructure Pvt. Ltd. Face Value ₹ 10 per share	(0.00)	(0.00)
	570.05	593.91
Investment in government securities ^{IV}	0.14	0.14
Investment by joint venture	76.00	76.00
Investment in partnership firms ^V	-	0.01
Investment in mutual funds (At FVTPL, quoted)	169.89	5.50
Total	824.33	692.40
Less : Provision for impairment ^{III}	8.25	13.50
TOTAL NON -CURRENT INVESTMENT	816.08	678.90

- I. Aggregated amount of unquoted investments as at March 31, 2022 ₹ 646.18 million (P.Y. ₹ 673.39 million).
- II. Aggregated amount of quoted investments as at March 31, 2022 ₹ 169.89 million, market value ₹ 169.89 million (P.Y. ₹ 5.50 million, market value ₹ 5.50 million).
- III. Aggregated amount of impairment in value of investments as at March 31, 2022 ₹ 8.25 million (P.Y. ₹ 13.50 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 in previous year and the corresponding share of Mr. Pravin Patel was increased.



Notes to Consolidated Financial Statements for the year ended March 31, 2022

NOTE : 4 TRADE RECEIVABLES

	Non-Current		Current	
	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
Unsecured, considered good unless otherwise stated				
Receivables outstanding for a period exceeding six months				
Considered good	3,550.91	4,359.43	4,137.42	2,900.03
Considered doubtful	-	-	4.96	5.12
	3,550.91	4,359.43	4,142.38	2,905.15
Less : Provision for doubtful debts	-	-	4.96	5.12
(A)	3,550.91	4,359.43	4,137.42	2,900.03
Other receivables				
Considered good	(B) 1,384.56	61.40	1,481.85	1,436.32
(A+B)	4,935.47	4,420.83	5,619.27	4,336.35

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 from 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 receivables are net of advances received against arbitration awards/claims of ₹ 3,400.51 millions (P.Y. ₹ 3,381.25 millions).

IV Trade receivable ageing Schedule ₹ Million

Particulars	Outstanding for following periods from due date of payment						Total
	Less than 6 months	6 months to 1 years	1-2 years	2-3 years	More than 3 years	Not due / unbilled receivable	
As on March 31, 2022							
Undisputed trade receivable - considered good	2,054.56	674.05	699.14	1,039.72	1,406.73	4,678.26	10,552.46
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	4.85	-	4.85
Undisputed trade receivables - credit impaired	-	-	-	-	2.39	-	2.39
	2,054.56	674.05	699.14	1,039.72	1,413.97	4,678.26	10,559.70
Less: allowance for doubtful debts	-	-	-	-	4.96	-	4.96
Total receivable	2,054.56	674.05	699.14	1,039.72	1,409.01	4,678.26	10,554.74
As on March 31, 2021							
Undisputed trade receivable - considered good	1,132.89	227.02	599.12	995.03	1,272.86	4,527.56	8,754.48
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	5.43	-	5.43
Undisputed trade receivables - credit impaired	-	-	-	-	2.39	-	2.39
	1,132.89	227.02	599.12	995.03	1,280.68	4,527.56	8,762.30
Less: allowance for doubtful debts	-	-	-	-	5.12	-	5.12
Total receivable	1,132.89	227.02	599.12	995.03	1,275.56	4,527.56	8,757.18

Notes to Consolidated Financial Statements for the year ended March 31, 2022

NOTE : 5

LOANS

	Non-Current		Current	
	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
Balance in current account with related parties				
Unsecured, considered good	766.19	704.41	106.08	297.37
Balance which have significant increase in credit risk	101.06	101.45	3.51	14.71
	867.25	805.86	109.59	312.09
Less: Provision for impairment	101.06	101.45	3.51	14.71
	766.19	704.41	106.08	297.37

Above loan/current account balance fully pertaining to related parties as identify under IND AS 24.

NOTE : 6

OTHER FINANCIAL ASSETS

	Non-Current		Current	
	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
Cash and bank balance				
- On fixed deposits accounts with scheduled banks*	1,784.60	1,288.72	-	-
Deferred finance cost	56.83	60.85	-	-
Secured deposit				
Unsecured, considered good	8.63	8.73	715.37	774.34
Others	52.54	9.04	3.52	0.67
	1,902.60	1,367.34	718.89	775.01

* Includes amount given towards margin money and earnest money deposits

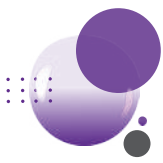
NOTE : 7

DEFERRED TAX ASSETS

	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
Related to depreciation on property, plant and equipment	28.71	(21.90)
Carry forward of an unused tax credit	620.98	620.98
Other disallowances under the income tax act	1,323.99	1,403.72
	1,973.68	2,002.80

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

	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
Deferred income tax liability		
Temporary difference on tangible and intangible assets depreciation and amortization	(29.26)	(71.15)
Others	(0.46)	(0.13)
Deferred income tax asset		
Disallowances on account of income tax act	1,320.35	1,400.59
Temporary difference on tangible and intangible assets depreciation and amortisation	57.97	49.24
Carry forward of an unused tax credit	620.98	620.98
Other	4.11	3.25
Total deferred tax assets (net)	1,973.68	2,002.80



Notes to Consolidated Financial Statements for the year ended March 31, 2022

NOTE : 8 CURRENT TAX ASSETS (NET)

	Non-Current		Current	
	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
Advance tax (net) ¹	554.50	130.98	123.25	120.42
	554.50	130.98	123.25	120.42

- Includes advance tax which is net of provision for tax ₹ 24.31 million (P.Y. ₹ 2.50 million).
- 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, 2022 ₹ Million	March 31, 2021 ₹ Million
Profit / loss before income tax	1,120.02	(3,438.12)
Income tax expense calculated at 34.944%	391.38	(1,201.42)
Effect of expenses not allowed for tax purpose	4.96	257.70
Effect of income not considered for tax purpose	(2.00)	(9.54)
Others	(8.12)	1,065.23
	386.22	111.98

NOTE : 9 OTHER ASSETS

	Non-Current		Current	
	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
Capital advance				
Secured, considered good				
Unsecured, considered good	232.98	145.33	-	-
Security deposit				
Unsecured, considered good	2,401.93	2,930.47	1,188.14	1,226.38
Doubtful	16.76	-	-	-
Advance recoverable				
Secured, considered good				
Unsecured, considered good	180.74	455.32	4,293.89	4,004.86
Doubtful	464.71	527.49	27.30	-
Prepaid expenses	208.68	197.71	473.25	388.53
Balance with statutory authorities	881.42	918.10	2,058.01	1,364.47
Accrued interest	1,422.12	1,218.43	43.11	29.89
Preoperative and preliminary expenses	606.50	749.40	-	-
Advance to suppliers	-	-	75.52	40.60
Other advances	1.50	1.50	247.02	257.94

Notes to Consolidated Financial Statements for the year ended March 31, 2022

	Non-Current		Current	
	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
Receivable on account of sale of long term investments	-	-	51.88	51.88
Non trade receivables	-	-	31.06	25.50
Advances to employees	1.23	1.91	34.38	38.00
	6,418.57	7,145.66	8,523.56	7,428.05
Less: allowance for doubtful advances	481.47	527.49	-	-
Less: provision for impairment	-	-	27.30	-
	5,937.10	6,618.17	8,496.26	7,428.05

NOTE : 10 INVENTORIES *

	Current	
	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
(At lower of cost or net realizable value)		
Stock of land	3,604.08	4,677.44
Stores, embedded goods and spare parts etc. (Includes stores in transit ₹ 37.75 million (P.Y. ₹ 99.80 million))	2,421.10	1,941.57
Work in progress	29,880.62	29,683.80
	35,905.80	36,302.81

*(As technically valued and certified by the management)

NOTE : 11 CASH AND CASH EQUIVALENTS

	Current	
	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
Balance with banks		
- On current accounts with scheduled banks	2,268.28	1,614.88
- On fixed deposits accounts with scheduled banks	306.46	288.48
- On fixed deposits accounts with foreign banks	21.35	19.54
- Balances with non scheduled banks	-	17.21
- Cheques in hand	-	0.03
- Foreign currency in hand	0.33	0.23
Cash on hand	9.36	8.85
	2,605.78	1,949.22

Notes to Consolidated Financial Statements for the year ended March 31, 2022

	March 31, 2022		March 31, 2021	
	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	465,453,024	465.45	408,178,292	408.18
Add :- issued during the year	13,777,470	13.78	57,274,732	57.27
Outstanding at the end of the year	479,230,494	479.23	465,453,024	465.45

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

	March 31, 2022		March 31, 2021	
	No. of shares	% holding	No. of shares	% holding
i) Raahitya Constructions Pvt. Ltd. (erstwhile Patel Corporation LLP)	185,331,924	38.67	185,331,924	39.82
ii) Prahm India LLP	40,195,352	8.39	40,195,352	8.63
iii) Mr. Rupen Pravin Patel	34,685,933	7.24	34,685,933	7.45

f) During the financial year 2019-20, Company had made preferential allotment of 53,99,66,397 fully paid-up OCPS to a promoter of the Company pursuant to a contract without payment being received in cash. Out of the above in 2019-20, 37,32,72,000 OCPS 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 previous year (financial year 2020-21) into 91,99,470 equity shares.

Further, during the year, company has made preferential allotment of 1,37,77,470/- (P.Y. 4,80,75,262/-) fully paid-up shares at a price of ₹ 14.78/- (including security premium of ₹ 13.78/-) to a lender of the subsidiary pursuant to a one time settlement contract without payment being received in cash.

g) Shares reserved under options

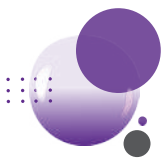
In pursuant to the scheme of sustainable structuring of stressed assets (S4A scheme), company has converted debt into 0.01% optionally convertible debentures (OCD) with a 7% IRR. Details note related to outstanding option and term of conversion/redemption of OCD has given under the head of Borrowings.

h) Shareholding of promoters

Shares held by promoters as defined under the Companies Act, 2013 at the end of the year

Promoters name	March 31, 2022			March 31, 2021		
	No. of shares	% of total shares	% changes during the year	No. of shares	% of total shares	% changes during the year
i) Mr. Rupen Patel	34,685,933	7.24	-	34,685,933	7.45	-
ii) Raahitya Constructions Pvt. Ltd.	185,331,924	38.67	-	185,331,924	39.82	-
iii) Prahm India LLP	40,195,352	8.39	-	40,195,352	8.64	1.04
iv) Ms. Alina Rupen Patel	1,290,000	0.27	-	1,290,000	0.28	-
v) Ms. Chandrika Patel	149,900	0.03	-	149,900	0.03	-
vi) Mr. Ryan Rupen Patel	90,000	0.02	-	90,000	0.02	-
Total	261,743,109	54.62	-	261,743,109	56.23	1.04

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



Notes to Consolidated Financial Statements for the year ended March 31, 2022

NOTE : 15 BORROWINGS

	Non-Current Portion		Current Maturities	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	₹ Million	₹ Million	₹ Million	₹ Million
I Secured Loans				
a) Debentures ¹	5,230.57	6,812.12	1,391.00	-
b) Term loans				
- From bank ²	1,553.68	554.09	1,170.22	540.22
- From others ³	572.89	167.16	237.85	24.77
II Unsecured Loans				
- From related parties	250.00	-	-	-
-Amount disclosed under "borrowings" in note no. 22	-	-	(2,799.07)	(564.99)
	7,607.14	7,533.37	-	-

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 (P.Y. ₹ 1,138.00 million). These NCDs along with the OCDs issued to LIC of ₹ 708.30 million (P.Y. ₹ 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 Ltd.
- 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 F.Y. 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 allotment and their outstanding details as on March 31, 2022 are as follows -

Tranche 1. (WCTL) ₹ 1,190.73 million (P.Y. ₹ 1,190.73 million), Tranche 2 (CC) ₹ 2,215.05 million (P.Y. ₹ 2,218.45 million), Tranche 3 (GIC OCD) ₹ 43.90 million (P.Y. ₹ 43.90 million), Tranche 7 (LIC) ₹ 708.30 million (P.Y. ₹ 708.30 million) & Tranche 9. (STL) ₹ 9.93 million (P.Y. ₹ 349.00 million). These debentures have a face value of ₹ 1000 each aggregating to ₹ 4167.89 million as on March 31, 2022 (P.Y. ₹ 4510.38 million) and outstanding liabilities on these debenture under IND AS 109 is ₹ 3667.19 million (PY. ₹ 3857.72 million) as on March 22.

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 1,2,3,7,9) 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 1st July 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2022

Tranche 1 is secured against the same security as for WCTL - refer note 15 - 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 22 - 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 15 - 1a) above.

Tranche 1 & Tranche 2 are also secured by pledge of 93,50,927 shares (P.Y. 93,50,927 shares) of the Company held by promoters and Mr. Pravin Patel 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 9 is secured against the same security as for bank STL - refer note 22 - 1) below in short term loans note.

- c) 9.57% secured redeemable non convertible debentures was allotted by Patel KNR Infrastructure Ltd. ('PKIL') on April 2, 2010 for a period of 17 years. These debentures have a face value of ₹ 1.0 million each aggregating to ₹ 1816.40 million including ₹ 253.00 millions in short term loan (P.Y. ₹ 237.40 million). These NCDs is secured against entire, present and future, movable and immovable assets of the PKIL. The above debentures are listed on The National Stock Exchange of India Ltd.
- d) As per section 71 read with rule 18 of companies share capital and debentures rules, 2014 and amendment thereof, PKIL has made adequate fixed deposit/investment 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 *pari passu* 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 cash flows will be deposited from real estate projects to be developed/monetized by respective companies, pledge of 93,50,927 shares (P.Y. 93,50,927 shares) shares of the Company held by promoters and Mr. Pravin Patel and 49% share holding of Hitodi Infrastructures Pvt. Ltd. held by the Company. The WCTL Term loans were repayable over 1 to 4 years starting F.Y. 2020 to F.Y. 2023. In previous financial year, due to Covid 19 pandemic, the lenders had invoked one time restructuring (OTR) which has been implemented in current F.Y. by the lenders and all principal repayments have been shifted by 2 years, accordingly, the balance WCTL is repayable from F.Y. 23 to F.Y. 25. Also, the lenders had sanctioned and disbursed FITL (funded interest term loan) on the said debt from March 1, 2021 upto March 31, 2022. The rates of interest for these loans vary between 10%- 13% (floating) linked to monitoring institution's base rate.
- b) Term loan of ₹ 16.00 million (P.Y. ₹ 11.79 million) secured by hypothecation of specified motor vehicles acquired under the said loans. Interest rate ranging from 8.75% to 11.72% and repayment is over in 1-5 years.
- c) Term loan of Nil (P.Y. ₹ 348.39 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 January, 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-passu* charge over about 4 acres land in Gachibowli, Hyderabad owned by the PBSR.
- d) Term loan of ₹ 123.42 million (P.Y. Nil) was taken during the financial year 2021-22 and carries interest MCLR (1 Year) + 1% p.a. The loan is repayable starting in 48 monthly instalment post moratorium period 12 months from the date of first disbursement. The loan is secured by second 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 under PBSR. Second charge over about 4 acres land in Gachibowli, Hyderabad owned by the PBSR.



Notes to Consolidated Financial Statements for the year ended March 31, 2022

3 From others

- a) The term loan of ₹ 572.92 million includes loans from financial institutions on equipment's, secured against the said equipment's. 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 also includes inter corporate deposits 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. It includes project specific funding by financial institution from earmarked non fund based limit , this loans carried an interest rate of average between 10%-11% on an average.
- b) Term loan of Nil (P.Y. ₹ 4.85 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.

4 From related parties

It includes unsecured long term inter corporate loan payables to promoters of the Company of ₹ 250.00 million (P.Y. Nil).

NOTE : 16 LEASE LIABILITY

	Non-Current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	₹ Million	₹ Million	₹ Million	₹ Million
Lease liability	191.83	270.84	110.45	27.25
	191.83	270.84	110.45	27.25

NOTE : 17 TRADE PAYABLES*

	March 31, 2022	March 31, 2021
	₹ Million	₹ Million
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	741.52	773.14
Piece rate wages payable	2,549.97	2,220.42
Provisions - others	1,969.00	1,394.34
Capital creditors	510.79	391.32
	5,771.28	4,779.22

*Ageing of trade payable is given under note no 59

NOTE : 18 OTHER FINANCIAL LIABILITIES

	March 31, 2022	March 31, 2021
	₹ Million	₹ Million
Retention deposits (contractually to be refunded after 1 year from completion of work)	245.11	194.37
Interest accrued but not due on borrowings	1,667.28	1,283.80
	1,912.39	1,478.17

Notes to Consolidated Financial Statements for the year ended March 31, 2022

NOTE : 19 PROVISIONS

	Non-Current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	₹ Million	₹ Million	₹ Million	₹ Million
Provision for employee benefits (refer note 34)				
Provision for gratuity	34.89	30.73	39.14	47.59
Provision for leave entitlements	113.65	89.23	20.54	16.18
	148.54	119.96	59.68	63.77

NOTE : 20 OTHER NON CURRENT LIABILITY

	March 31, 2022	March 31, 2021
	₹ Million	₹ Million
Contractee advances	5,909.40	6,532.88
Deposits	181.52	163.11
Other liability	730.84	1,031.72
	6,821.76	7,727.71

NOTE : 21 DEFERRED REVENUE

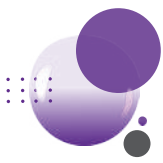
	March 31, 2022	March 31, 2021
	₹ Million	₹ Million
Deferred revenue	64.73	68.01
	64.73	68.01

NOTE : 22 BORROWINGS

	March 31, 2022	March 31, 2021
	₹ Million	₹ Million
I Secured loans		
Short term loans ¹		
- From bank	-	1,349.64
- From others	262.41	704.65
Loans repayable on demand ²		
- From bank	11,098.63	11,627.94
II Unsecured loans ³		
- From others	100.00	100.00
- From related parties	748.88	783.29
Current maturities of long-term debt	2,799.07	564.99
	15,008.98	15,130.52

1 Short term loan

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 is Nil outstanding in short term loan & are no interest and principal overdue for repayment & outstanding for such loans taken by the Company.



Notes to Consolidated Financial Statements for the year ended March 31, 2022

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

- a) Includes cash credit and working capital demand loan from various banks. These loans have been given against first *pari passu* hypothecation of stocks, spare parts, book debts, work in progress & guarantees except specifically charged to any other lenders; secured against pledge of 93,50,927 shares (P.Y. 93,50,927 shares) of the Company held by promoters and Mr. Pravin Patel 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, 2021 up to March 31, 2022.

Terms of repayment:

Cash credit- yearly renewal, rate of interest ranges between 10%-12.85% p.a. (P.Y. 10%-12.85% p.a.)

- b) i) Includes cash credit of Nil (P.Y. ₹ 285.50 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 Nil (P.Y. ₹ 171.50 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%.
- iii) Includes overdraft of ₹ 0.38 million is secured against the fixed deposit. Interest rate ranging from 6.5% to 7%.
- c) Loan of ₹ 256.04 million (P.Y. ₹ 292.02 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-passu* 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 ₹ 748.88 million (P.Y. ₹ 783.29 million) and other ₹ 100 millions (P.Y. ₹ 100 million).

NOTE : 23

TRADE PAYABLES*

	March 31, 2022	March 31, 2021
	₹ Million	₹ Million
Total outstanding dues of micro enterprises and small enterprises (refer note no 43)	96.84	45.62
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,206.06	5,009.58
Piece rate wages payable	3,532.93	3,403.08
Provisions - others	4,402.21	3,638.32
	13,238.04	12,096.59

*Ageing of trade payable is given under note no 59

Notes to Consolidated Financial Statements for the year ended March 31, 2022

NOTE : 24

OTHER FINANCIAL LIABILITIES

	March 31, 2022	March 31, 2021
	₹ Million	₹ Million
Interest accrued but not due on borrowings	105.76	110.63
Interest accrued and due on borrowings	30.96	91.11
Deposits	83.29	86.36
Others	0.07	0.12
	220.08	288.21

The group has transferred Nil (P.Y. Nil) to investor education & protection fund as at March 31, 2022.

NOTE : 25

OTHER CURRENT LIABILITIES

	March 31, 2022	March 31, 2021
	₹ Million	₹ Million
(a) Other liabilities		
Contractee advances	7,542.09	5,599.66
Other payables		
Payable to employees	558.13	560.14
Other liabilities	724.16	924.80
(b) Balance in current account		
(i) With subsidiaries, associates	0.17	0.24
(ii) With joint ventures	571.47	394.00
	9,396.02	7,478.84

NOTE : 26

REVENUE FROM OPERATIONS

	March 31, 2022	March 31, 2021
	₹ Million	₹ Million
(a) Revenue/turnover		
Add: increase/(decrease) in work in progress	(171.57)	1,667.55
Sale of goods	1.10	-
Total turnover	32,321.42	19,509.82
(b) Other operating income		
Lease and service charges	0.96	0.54
Share of profit from partnership firm	0.68	39.41
Miscellaneous operating income	1,479.83	398.16
	33,802.89	19,947.93



Notes to Consolidated Financial Statements for the year ended March 31, 2022

Disaggregation of revenue on the basis of	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
Primary geographical market wise		
Domestic	31,378.55	17,587.49
International	2,424.34	2,360.44
Major product/service lines wise	Business Segment	Business Segment
EPC	33,462.74	19,576.85
Real estate	334.87	371.08
Others	5.28	-
Timing of revenue recognition wise		
At a point in time	1,817.44	809.19
Over period of time	31,985.45	19,138.74

NOTE : 27

OTHER INCOME

	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
Gain on sale of assets (net)	5.13	4.80
Other non operating income	287.86	273.09
Interest income	589.12	590.84
Net gain on foreign currency translation	118.67	-
Excess credit written back	161.28	222.62
	1,162.06	1,091.35

NOTE : 28

COST OF CONSTRUCTION

	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
Stores, embedded goods and spare parts *		
Inventories at the beginning of the year	1,941.57	1,693.83
Add : purchase (net)	9,005.82	3,898.09
	10,947.39	5,591.92
Less : Inventories at the end of the year	2,421.10	1,941.57
Consumption of stores and spares	8,526.29	3,650.35
Purchase of land / development rights	0.14	-
Piece rate expenses (net)	12,342.47	9,329.43
Repairs to machinery	50.63	43.53
Transportation, hire etc.	1,317.05	619.64
Power, electricity and water charges	597.39	491.30
Project development cost	26.64	30.93
Technical consultancy fees	202.83	176.31
Other construction costs	1,377.06	248.50
	24,440.50	14,589.99

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

Notes to Consolidated Financial Statements for the year ended March 31, 2022

NOTE : 29

EMPLOYEE BENEFITS EXPENSE

	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
Salaries, wages and bonus	2,398.51	1,744.50
Contribution to provident and other funds (refer note no. 34)	106.35	176.76
Employee stock option (ESOP) (refer note no. 35)	0.44	1.08
Staff welfare expenses	159.94	90.98
	2,665.24	2,013.32

NOTE : 30

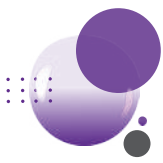
FINANCE COSTS

	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
Interest expense	3,409.39	3,298.87
Other borrowing costs	785.88	715.05
	4,195.27	4,013.92

NOTE : 31

OTHER EXPENSES

	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
Other administrative costs		
Rent	70.24	47.36
Repairs and maintenance - building	-	0.17
Insurance	160.68	131.79
Rates and taxes	206.42	96.52
Advertisement and selling expenses	4.59	0.79
Travelling and conveyance	51.08	20.96
Directors fees	1.57	1.60
Auditor's remuneration		
Audit fees	6.83	6.05
Limited review	0.90	0.80
Certification	0.24	1.04
Other service	0.06	-
	8.03	7.89
Communication expenses	15.19	13.17
Printing and stationery	15.93	11.16
Legal and consultancy charges	383.11	276.02
Loss on sale of asset discarded	24.48	97.51
Irrecoverable debts written off / provided	88.76	119.01
Net loss on foreign currency translation	-	31.39
Other expenses	389.91	142.93
	1,419.99	998.26



Notes to Consolidated Financial Statements for the year ended March 31, 2022

NOTE : 32

EXCEPTIONAL ITEMS :

	March 31, 2022	March 31, 2021
	₹ Million	₹ Million
Reversal of receivables on account of assessment ^a	-	152.23
Provision for impairment of loans and advances ^b	69.08	769.35
Irrecoverable debts / assets written off ^c	235.86	1,781.01
Excess credit written back ^d	-	(560.94)
	304.94	2,141.66

- a) On account of closing of tax assessment in previous year, assets which is no more recoverable has been expensed out.
- b) Provision made for impairment based on indication of diminution in value of advance to a firm/ associates.
- c) 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.
- d) During the previous year, group has entered one time settlement (OTS) agreement with lenders for their outstanding debts and interests and resultant gain is accounted as exceptional item.

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

A) Wholly owned (100%) Subsidiaries:

- | | |
|--|---|
| 1. Patel Energy Resources Ltd. | 14. Vismaya Constructions Pvt. Ltd. |
| 2. Patel Engineering Inc. | 15. Bhooma Realties Pvt. Ltd. |
| 3. Patel Engineering (Mauritius) Ltd. | 16. Patel Lands Ltd. |
| 4. Patel Engineering Singapore Pte. Ltd. | 17. Energy Design Pvt. Ltd. |
| 5. Patel Engineering Infrastructure Ltd. | 18. Shreeanant Construction Pvt. Ltd. |
| 6. Patel Concrete and Quarries Pvt. Ltd. | 19. Hampus Infrastructure Pvt. Ltd. |
| 7. Friends Nirman Pvt. Ltd. | 20. Apollo Buildwell Pvt. Ltd. (till February 16, 2022) |
| 8. Zeus Minerals Trading Pvt. Ltd. | 21. Arsen Infra Pvt. Ltd. |
| 9. Patel Patron Pvt. Ltd. | 22. PBSR Developers Pvt. Ltd. |
| 10. Patel Engineers Pvt. Ltd. | 23. Lucina Realtors Pvt. Ltd. (till July 19, 2021) |
| 11. Pandora Infra Pvt. Ltd. | 24. Waterfront Developers Ltd. |
| 12. Patel Engineering Lanka Pvt. Ltd. | 25. Patel KNR Infrastructures Ltd. |
| 13. Shashvat Land Projects Pvt. Ltd. | |

B) Other Subsidiaries:

Name of Subsidiaries	% holding
1. Michigan Engineers Pvt. Ltd.	51.00%
2. Hera Realcon Pvt. Ltd.	97.30%

Notes to Consolidated Financial Statements for the year ended March 31, 2022

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	Name of Joint Ventures	% of share
1. Patel Michigan JV	10.00%	16. HES Shuthaliya JV	45.00%
2. CICO Patel JV	99.90%	17. PEL-Parbati JV	52.00%
3. Patel SEW JV	60.00%	18. NEC-PEL- JV	45.00%
4. PATEL –KNR J.V.	50.00%	19. PEL - Ghodke	51.00%
5. KNR – PATEL J.V.	49.00%	20. PEL-ISC-PRATHMESH JV	50.00%
6. PATEL – SOMA J.V	50.00%	21. ISC Projects-PEL JV	49.00%
7. Patel – V Arks JV	65.00%	22. Patel – Siddhivinayak JV	51.00%
8. Patel VI JV	51.00%	23. PATEL-SA JV	75.00%
9. Patel – Avantika – Deepika – BHEL	52.83%	24. Era Patel Advance Kiran JV	47.06%
10. Patel – V Arks - Precision	60.00%	25. Patel APCO JV	50.00%
11. Age Patel JV	49.00%	26. Era Patel Advance JV	30.00%
12. PEL - UEIPL JV	60.00%	27. VPRPL - PEL JV	51.00%
13. PEL-PPCPL-HCPL JV	51.00%	28. PATEL -CIVET-CHAITRA Micro(KA) JV	51.00%
14. Onycon Enterprises	60.00%	29. Ceigall - PEL (JV)	40.00%
15. PEL-Gond JV	45.00%	30. Mokhabardi Micro Irrigation Project JV	51.00%

D) Hitodi Infrastructure Pvt. Ltd, Raichur Sholapur Transmission Co. Pvt. Ltd., ACP Tollways Pvt. Ltd. and PAN Realtors Pvt. Ltd. (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”.

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 F.Y. 2017-18.

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

34 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.



Notes to Consolidated Financial Statements for the year ended March 31, 2022

II Disclosures for defined benefit plan based on actuarial reports as on March 31, 2022 and March 31, 2021:

(i) Expenses recognized in the statement of profit and loss :

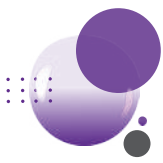
	₹ Million	
	Gratuity (Funded)	Gratuity (Non-funded)
Current service cost	20.82	7.08
	(17.66)	(7.39)
Interest cost (net)	6.45	2.10
	(4.63)	(1.81)
Net actuarial (gain) / losses	3.92	(3.05)
	(57.54)	(-0.17)
Total expenses recognized in the statement of profit and loss	31.19	6.13
	(79.83)	(9.03)
(ii) Reconciliation 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	(163.48)	(36.30)
	(-191.76)	(-32.14)
Fair value of plan assets as at the year end	37.43	-
	(44.43)	-
Funded liability recognized in the balance sheet	(126.05)	(36.30)
	(-147.33)	(-32.14)
(iii) Changes in defined benefit obligation :		
Liability at the beginning of the year	191.76	32.14
	(118.80)	(26.50)
Interest cost	9.47	2.10
	(8.15)	(1.81)
Current service cost	20.82	7.08
	(17.66)	(7.39)
Benefit paid	(9.98)	(0.61)
	(-10.35)	(-3.39)
Actuarial (gains) / losses on obligations	(48.60)	(4.41)
	(57.50)	(0.17)
Liability at the end of the year	163.48	36.31
	(191.76)	(32.14)
(iv) Changes in the fair value of plan assets:		
Fair value of plan assets at the beginning of the year	44.43	-
	(51.30)	-
Expected return on plan assets	3.02	-
	(3.52)	-
Contributions by the employer	-	-
	-	-
Benefit paid	(9.98)	-
	(-10.35)	-
Actuarial gain on plan assets	(0.05)	-
	(-0.04)	-
Fair value of plan assets at the end of the year	37.43	-
	(44.43)	-
Total actuarial gain to be recognized	(48.55)	-
	(57.54)	-

Notes to Consolidated Financial Statements for the year ended March 31, 2022

	₹ Million	
	Gratuity (Funded)	Gratuity (Non-funded)
(v) Actual return on plan assets		
Expected return on plan assets	3.02	-
	(3.52)	-
Actuarial gain on plan assets	(0.05)	-
	(-0.04)	-
Actuarial gain on plan assets	2.97	-
	(3.48)	-
(vi) The Group expects to contribute ₹ 81.05 million (P.Y. ₹ 55.04 million) to gratuity funded plan in F.Y. 2022-23.		
(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	7.23%	7.25%
	(6.80%)	(6.80%)
Rate of increase in compensation levels	5.50%	5.50%
	(5.00%)	(5.00%)
Expected rate of return on plan assets	7.23%	-
	(6.80%)	-
Attrition rate	4.00%	4.00%
	(4.00%)	(4.00%)
Average age of retirement (years)	60	60
	(60)	(58)
(ix) Experience adjustments		
On plan obligation (gain)/loss	3.44	(2.99)
	(53.10)	(-0.07)
On plan asset (loss)/gain	(0.05)	-
	(-0.04)	-
(x) Expected Employer's Contribution in future years		
1 years	29.09	2.93
	(35.55)	(1.69)
Between 2 to 5 years	42.75	11.74
	(52.02)	(5.39)
Beyond 5 years	242.86	77.74
	(254.78)	(-61.93)
The weighted average duration of the defined benefit plan obligation at the end of the reporting period (years)	9	13
	(8)	(13)
(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. 29 as contribution to provident and other funds ₹ 106.35 million (P.Y. ₹ 176.76 million)



Notes to Consolidated Financial Statements for the year ended March 31, 2022

35 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	As at
	March 31, 2022	March 31, 2021
	Nos.	Nos.
Outstanding at the beginning of the year	25,000	150,000
Grant during the year	-	-
Exercised during the year	25,000	75,000
Cancelled during the year	-	-
Lapsed during the year	-	50,000
Outstanding at the end of the year	-	25,000
Exercisable at the end of the year	-	-
Weighted average life of options	NA	1 year

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, 2022

36 LEASE

Disclosure as per IND AS 116

Amount recognised under statement of profit and loss

Particulars	₹ Million	
	2021-22	2020-21
Depreciation	74.09	138.72
Interest on lease liability	37.56	49.98
Expenses related to short term leases	70.24	47.36
Total Expenses	181.89	236.06

37 EARNING PER SHARE (EPS)

	2021-22	2020-21
	₹ Million	₹ Million
Net profit as per the consolidated statement of profit and loss available for shareholders for both basic and diluted EPS of Re. 1 each	718.49	(2,907.47)
Weighted average number of equity shares for basic EPS (in no.)	475,229,365	428,596,117
Add: weighted average potential equity shares		
- On issue of optionally convertible debentures*	211,906,025	390,527,787
- On issue of zero coupon optionally convertible preference shares*	-	-
Weighted average number of equity shares for diluted EPS (in no)	687,135,390	819,123,904
Face value of Share ₹	1	1
Earning Per Share (Basic) ₹	1.51	(6.78)
Earning Per Share (Diluted) ₹	1.49	(6.78)

*Previous year potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of equity shares for the purpose of diluted earning per share

38 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.
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Notes to Consolidated Financial Statements for the year ended March 31, 2022

Associate of Lucina Realtors Private Limited

- PAN Realtors Pvt.Ltd. (w.e.f Mar 29, 2021)

Joint Ventures: (Refer note 32 (c))

Partnership

- AHCL PEL (Retired)
- Patel Advance JV

Others

- Raahitya Constructions Pvt. Ltd.
- 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.

Particular	₹ Million	
	Associates/joint operations / partnership/others	
	2021-22	2020-21
- Misc. Receipt	4.73	2.81
- Loans/advances given & Current account movement	221.29	60.55
- Loans / advances recovered / adjusted	255.56	43.75
- Corporate guarantee outstanding as at the end of the year	4,064.73	5,699.03
- Bank guarantee outstanding as at the end of the year	249.42	249.42
- Outstanding balance included in current/ non current assets	925.41	968.10
- Outstanding balance included in current / non current liabilities	1,077.08	759.48
- Interest income	4.30	5.69
- Reimbursement of expenses from	4.04	11.17
- Provision for impairment of loans and advances	-	-
- Sundry balances written off	0.47	3.00
- Sundry balances written back	-	0.88
- Interest Expenses	-	65.60
- Provision for doubtful debt	5.11	-
- Other Operating Income	67.41	-
- Provision for impairment of investment	155.59	-

Notes to Consolidated Financial Statements for the year ended March 31, 2022

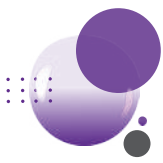
₹ Million

Particular	Associates/joint operations / partnership/others	
	2021-22	2020-21
- Provision for impairment of loans and advances	14.63	-
- Sale of asset	0.06	0.89
- Loan taken	250.00	-
- Purchase of goods	12.86	-
- Sale of Service	131.79	-
- Sale of Materials	0.13	-
- Conversion of OCPS into shares	-	166.69

D. Disclosures of material transactions with related parties with associates, joint ventures, partnership and others referred to in item (A) above.

₹ Million

Particular	Name of the Company	2021-22	2020-21
- Misc. Receipt	Patel Michigan JV	1.23	-
	Patel Sew JV	2.09	0.81
	NEC PEL JV	1.41	2.00
- Loans/advances given	Raichur Solapur Transmission Company Pvt. Ltd.	0.00	0.00
	Patel Sew JV	0.00	0.00
	Patel Advance JV	56.22	59.64
- Loan/ advances recovered / adjusted	PEL-Parbati JV	-	4.80
	Hes-Suthalia JV	-	5.50
	Patel Sew JV	193.62	32.94
	Patel Michigan JV	36.67	-
- Interest income	NEC PEL JV	-	0.26
	Raichur Solapur Transmission Company Pvt. Ltd.	4.26	4.96
	Patel Sew JV	0.04	0.47
- Reimbursement of Expenses	Hitodi Infrastructure Pvt. Ltd	3.80	9.39
	Patel Sew JV	0.13	1.08
	Patel KNR JV	0.11	0.33
	NEC PEL JV	-	0.36
- Sundry balances written off	Bellona Estate Developers Ltd.	0.47	2.28
	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 Pvt. Ltd	-	65.60
- Provision for doubtful debts	Raichur Solapur Transmission Company Pvt. Ltd.	5.11	-



Notes to Consolidated Financial Statements for the year ended March 31, 2022

		₹ Million	
Particular	Name of the Company	2021-22	2020-21
- Other Operating Income	Hitodi Infrastructure Pvt. Ltd	34.50	-
	Patel Ghodke Joint venture	20.28	
	VPRPL-PEL JV	12.63	
- Provision for impairment of investment	Raichur Solapur Transmission Company Pvt. Ltd.	155.59	-
- Provision for impairment of loans and advances	Raichur Solapur Transmission Company Pvt. Ltd.	14.63	-
- Sale of assets	Patel Sew JV	0.06	0.89
- Loan taken	Raahitya Constructions Private Limited	250.00	-
- Purchase of goods	Patel Sew JV	131.79	-
- Sale of Service	Patel Sew JV	12.86	-
- Sale of Materials	Patel Sew JV	0.13	-
- Conversion of OCPS into shares	Praham India LLP	-	166.69

E. Details of transactions relating to persons referred in item (B) above.

		₹ Million	
Particular		2021-22	2020-21
Managerial remuneration		61.75	64.48
Salary and contribution to provident fund		3.61	3.54
ESOP		0.44	1.08
Outstanding balance payable		16.80	35.24
Outstanding balance receivable		4.05	4.05

39 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.



Notes to Consolidated Financial Statements for the year ended March 31, 2022

Primary Segment :

Particulars	As at March 31, 2022			
	Business Segments			Total
	EPC	Real Estate	Others	
Segment revenue	33,462.74	334.87	5.28	33,802.89
Segment results	1,222.39	233.46	1.34	1,457.19
Segment assets	70,902.69	11,532.09	2,666.62	85,101.39
Segment liabilities	55,748.56	4,718.92	83.45	60,550.93
Addition to fixed assets	5,944.45	-	2.61	5,947.06
Segment depreciation	815.75	0.39	2.85	818.99

₹ Million

Particulars	As at March 31, 2021			
	Business Segments			Total
	EPC	Real Estate	Others	
Segment revenue	19,576.85	371.08	-	19,947.93
Segment results	(1,413.57)	19.71	(80.80)	(1,474.67)
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

Geographical Segment :

Particulars	As at March 31, 2022		
	Within India	Outside India	Total
	Revenue	31,378.55	2,424.34
Non current assets	30,697.19	821.72	31,518.91

₹ Million

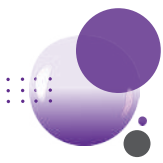
Particulars	As at March 31, 2021		
	Within India	Outside India	Total
	Revenue	17,587.49	2,360.44
Non current assets	27,170.31	2,364.60	29,534.91

₹ Million

The following table gives details in respect of contract revenues generated from the top customer and top 5 customers for the year ended:

Particulars	As at	
	March 31, 2022	March 31, 2021
	Revenue from top customer	5,125.47
Revenue from top five customers	15,584.99	9,151.47

₹ Million



Notes to Consolidated Financial Statements for the year ended March 31, 2022

- 40 The Group is continuously monitoring the situation of COVID - 19 and its impact on business and various stakeholders. 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.
- 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. 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.
- 42 Arbitration awards received in favour of the Group amounting to ₹ 1413.63 Million (P.Y. ₹ Nil) is accounted for as construction Receipts.
- 43 The Group has ₹ 97.12 million (PY ₹ 45.62 million) due to trade payable and other payable under the Micro Small and Medium Enterprise Development Act, 2006, as at March 31, 2022. The principal amount due to the suppliers under the Act is ₹ 82.04 million (P.Y. ₹ 34.30 million). The interest accrued and due to the suppliers on the above amount is ₹ 14.59 million (PY ₹ 8.96 million). Payment made to the suppliers (other than interest) beyond appointed day during the year is ₹ 2.82 million (PY ₹ 17.36 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 ₹ 0.51 million (PY ₹ 2.35 million). Interest accrued and remaining unpaid at the end of the accounting year is ₹ 15.09 million (PY ₹ 11.31 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 ₹ 13.25 million (P.Y. ₹ 9.54 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.

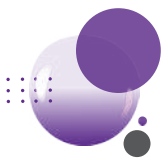
- 44 Ministry Of Coal (MOC) after keeping the request for change in location of the proposed power plant from Bhavnagar area to Pipavav area with in Gujarat State pending for 16 months declined it after the LOA expired. Consequent upon the expiry of Letter Of Assurance (LoA), South Eastern Coal Limited (SEC) invoked and encashed three Bank Guarantees aggregating to ₹ 196.64 millions 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 Honorable 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 compiled on “ Going Concern” basis.

Notes to Consolidated Financial Statements for the year ended March 31, 2022

45 Derivative transactions :

Foreign currency exposure that are not hedged by derivative instruments as on March 31, 2022 amounting to ₹ 1462.54 Million (P.Y ₹ 11.18 Million).

Particulars	Foreign currency exposure outstanding at ₹ Million			
	March 31, 2022		March 31, 2021	
	Amount in Foreign Currency	Amount in Functional Currency	Amount in Foreign Currency	Amount in Functional Currency
Assets				
Trade Receivable				
EURO	0.38	31.54	0.34	29.09
NPR	219.30	137.06	181.27	113.29
USD	0.59	44.97	0.57	41.88
Security Deposit				
EURO	0.03	2.87	0.03	2.94
JPY	36.22	22.47	36.22	23.98
NPR	78.11	48.82	118.19	73.87
USD	0.00	0.06	0.00	0.11
Inventories				
NPR	2,408.95	1,505.59	1,517.13	948.21
Interest Accrued				
EURO	0.01	0.56	0.01	0.56
NPR	2.28	1.42	1.55	0.97
Cash and Bank Balance				
LKR	0.04	0.01	0.04	0.02
MUR	0.00	0.01	0.00	0.01
NPR	365.56	228.47	37.16	23.23
USD	-	-	-	-
Advance to Contractors / Suppliers				
NPR	1,871.01	1,169.38	482.12	301.33
Loan and interest thereon to group companies				
LKR	-	-	-	-
MUR	41.60	70.09	39.57	71.50
NPR	5.61	3.51	5.61	3.51
USD	20.57	1,554.64	19.89	1,457.68
Fixed Assets				
NPR	920.19	575.12	1,086.75	679.22
Other Advance				
MUR	2.85	4.80	2.85	5.15
NPR	225.10	140.69	196.03	122.52
Liability				
Security Deposit				
NPR	(32.13)	(20.08)	(32.13)	(20.08)



Notes to Consolidated Financial Statements for the year ended March 31, 2022

Particulars	Foreign currency exposure outstanding at ₹ Million			
	March 31, 2022		March 31, 2021	
	Amount in Foreign Currency	Amount in Functional Currency	Amount in Foreign Currency	Amount in Functional Currency
Advance from Contractors				
EURO	(5.33)	(426.83)	(5.33)	(426.83)
NPR	(3,086.75)	(1,929.22)	(2,979.24)	(1,862.02)
USD	(0.07)	(4.55)	(0.07)	(4.55)
Trade Payable				
EURO	(1.86)	(154.36)	(1.44)	(120.81)
NPR	(2,088.71)	(1,305.44)	(1,625.05)	(1,015.66)
USD	(1.87)	(141.20)	(4.00)	(293.34)
Other liability				
NPR	(152.69)	(95.43)	(227.55)	(142.22)
USD	(0.03)	(2.42)	(0.03)	(2.35)

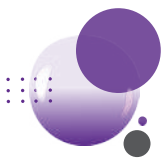
- 46 The Group's pending litigations comprise of claims by or against the Group primarily by the customers / contractors/suppliers, etc. and proceedings pending with tax and other government authorities. The Group has reviewed its pending litigations and proceedings and has adequately provided for where 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 ₹ 29.38 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 a lease agreement with Ministry of Housing and Land Development (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 ₹ 893.46 million (PY 890.17 million). Subsequently all of a sudden on 11th Feb 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 4th June 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 1st July 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 **Contingent Liabilities**
- Commitment for capital expenditure is ₹ 875.25 million (P.Y. ₹ 725.97 million), advance paid ₹ 91.83 million (P.Y. ₹ 115.43 million). The Group is under commitment to construct specific area for land owner.
 - 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 ₹ 18,032.60 Million (P.Y. ₹ 19,155.26 Million) (including Customs ₹ 42.88 Million (P.Y. ₹ 42.88 Million). Corporate guarantees / Letter of

Notes to Consolidated Financial Statements for the year ended March 31, 2022

Credit on behalf of subsidiaries and others is ₹ 4751.85 Million (P.Y. ₹ 6521.45 Million). Net off Share of JV Partner & Provisions already considered in books.

- (c) Client has claimed an amount of ₹ Nil (P.Y. ₹ 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 ₹ 1467.03 million (P.Y. ₹ 1462.73 million) and advance paid ₹ 9.45 million (P.Y. ₹ 9.55 million). Out of the above, ₹ 760.19 million (P.Y. ₹ 760.19 million) is contractually recoverable from the Clients.
- (e) Sales tax ₹ 73.67 million (P.Y. ₹ 76.52 million) (Advance paid ₹ 0.20 million (P.Y. ₹ 1.74 million)), Cess ₹ 122.64 million (P.Y. ₹ 122.64 million), Custom Duty ₹ 16.49 million (P.Y. ₹ 16.49 million) (Advance paid ₹ 8.46 million (P.Y. ₹ 8.46 million)).
- (f) Income tax liability that may arise on matters in appeal ₹ 3,530.76 million (P.Y. ₹ 2,399.38 million).
- (g) Provident fund liability that may arise on matter in appeal ₹ 14.35 million (P.Y. ₹ 14.35 million) and advance Paid ₹ 14.35 million (P.Y. ₹ 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 to its lenders.
- (k) Trade receivables to the extent of ₹ Nil (PY. ₹ 29.99 million) have been discounted with bank on recourse basis.
- (l) On Settlement with a vendor, Group has given flats of ₹ 50.00 million (P.Y. ₹ 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.
- (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.



Notes to Consolidated Financial Statements for the year ended March 31, 2022

49 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	107.19%	25,550.21	97.44%	533.57
Subsidiaries				
Indian				
1 Apollo Buildwell Private Limited	0.00%	-	6.86%	37.55
2 Arsen Infra Private Limited	0.01%	1.85	-0.05%	(0.29)
3 Hera Realcon Private Limited - (97.13%)	0.00%	(1.14)	-0.01%	(0.05)
4 PBSR Developers Private Limited	-0.21%	(49.97)	-0.30%	(1.62)
5 Patel Energy Resources Limited	17.74%	4,228.84	100.14%	548.35
6 Patel Engineering Infrastructure Limited	1.32%	314.73	24.97%	136.74
7 Patel Concrete and Quarries Private Limited	-0.36%	(84.98)	-15.62%	(85.53)
8 Friends Nirman Private Limited	0.09%	21.64	-0.04%	(0.24)
9 Zeus Minerals Trading Private Limited	-0.41%	(98.61)	-18.03%	(98.75)
10 Patel Patron Private Limited	0.76%	180.01	7.55%	41.36
11 Patel Engineers Private Limited	0.02%	4.61	-12.68%	(69.44)
12 Pandora Infra Private Limited	-0.82%	(196.40)	-48.14%	(263.62)
13 Shashvat Land Projects Private Limited	-0.12%	(27.69)	-19.17%	(104.97)
14 Vismaya Constructions Private Limited	0.32%	76.84	4.19%	22.95
15 Bhooma Realities Private Limited	-0.30%	(70.68)	-12.05%	(66.01)
16 Patel Lands Limited	-0.16%	(38.66)	-7.11%	(38.93)
17 Energy Design Private Limited	-0.29%	(69.62)	-0.03%	(0.14)
18 Shreeanant Construction Private Limited	-0.20%	(47.69)	-0.18%	(0.97)
19 Michigan Engineers Private Limited	6.92%	1,649.35	40.75%	223.16
20 Hampus Infrastructure Pvt. Ltd.	0.00%	(0.31)	-0.02%	(0.13)
21 Patel KNR Infrastructure Ltd	2.11%	503.83	-3.67%	(20.09)
Foreign				
1 Patel Engineering Inc.	0.35%	82.94	0.38%	2.10
2 Patel Engineering (Mauritius) Limited	-1.28%	(304.79)	-1.95%	(10.67)
3 Patel Engineering Singapore Pte. Limited	-3.21%	(764.68)	-3.39%	(18.54)
4 Waterfront Developers Limited	-2.31%	(551.49)	-11.02%	(60.36)
5 Patel Engineering Lanka Private Limited	-0.04%	(10.54)	-1.28%	(7.03)
Non-controlling interest	3.00%	714.11	17.99%	98.49
Associate (as per proportionate consolidation/ Investment as per the equity method)				
1 ACP Tollways Private Limited	0.63%	150.00	-17.71%	(96.99)
2 Raichur Sholapur Transmission Company Private Limited	0.47%	111.13	17.02%	93.19
3 Hitodi Infrastructure Pvt. Limited	0.00%	-	0.00%	-
4 Pan Realtors Private Limited	0.00%	-	0.00%	-

Notes to Consolidated Financial Statements for the year ended March 31, 2022

50 Category -wise classification of financial instruments

₹ Million

	Non Current		Current	
	As at	As at	As at	As at
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Financial assets measured at FVTPL				
Investment	169.89	5.50		
Financial assets measured at amortized cost				
Investments	646.18	673.40	-	116.00
Trade receivables	4,935.47	4,420.83	5,619.27	4,336.35
Loans	766.19	704.41	106.08	297.37
Deferred finance cost	56.83	60.85	-	-
Secured deposit	1,845.77	1,306.49	718.89	775.01
Cash and cash equivalents	-	-	2,605.78	1,949.22
Other bank balances	-	-	7.15	10.88

₹ Million

	Non Current		Current	
	As at	As at	As at	As at
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Financial liabilities measured at amortized cost				
Borrowings	7,607.14	7,533.37	15,008.98	15,130.52
Lease liabilities	191.83	270.84	110.45	27.25
Trade payables	5,771.28	4,779.22	13,238.04	12,096.59
Other financial liabilities	1,912.39	1,478.17	220.08	288.21

51 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, 2022

₹ Million

Financial asset measured at FVTPL	Fair value as at March 31, 2022	Fair Value hierarchy		
		Quoted prices in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
Investments	169.89	169.89	-	-



Notes to Consolidated Financial Statements for the year ended March 31, 2022

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	-	-

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.

52. 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2022

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	As at	As at	As at
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
+50 basis point	(136.38)	(131.95)	(88.72)	(131.95)
-50 basis point	136.38	131.95	88.72	131.95

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, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	EURO	581.19	576.01	34.97
JPY	-	-	22.47	23.98
LKR	-	-	0.01	0.02
MUR	-	-	74.90	76.65
NPR	3,603.09	3,155.20	4,062.98	2,381.35
USD	148.17	300.24	1,599.66	1,499.67

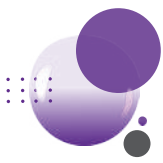
The above table represents total exposure of the Group towards foreign exchange denominated liabilities (net). The details of unhedged exposures are given as part of note no. 45.

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.

₹ Million

Change in EURO rate	Effect on profit before tax		Effect on total equity	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	+5%	(27.31)	(25.74)	(17.77)
-5%	27.31	25.74	17.77	25.74



Notes to Consolidated Financial Statements for the year ended March 31, 2022

₹ Million

Change in USD rate	Effect on profit before tax		Effect on total equity	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
+5%	72.57	108.09	47.21	108.09
-5%	(72.57)	(108.09)	(47.21)	(108.09)

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	As at	As at	As at
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
+5%	8.49	0.28	5.53	0.28
-5%	(8.49)	(0.28)	(5.53)	(0.28)

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.

Notes to Consolidated Financial Statements for the year ended March 31, 2022

The table below provides details regarding the contractual maturities of significant financial liabilities:

Particulars	₹ Million			
	Less than 1 year	1 - 5 years	More than 5 years	Total
At 31st March, 2022				
Borrowings*	15,008.98	6,030.44	1,576.71	22,616.12
Lease liability	110.45	191.83	-	302.28
Trade payables	13,238.04	5,771.28	-	19,009.32
Other financial liability	220.08	1,281.68	630.72	2,132.47
At 31st March, 2021				
Borrowings*	15,130.52	2,994.27	4,539.10	22,663.89
Lease liability	27.25	270.84	-	298.09
Trade payables	12,096.59	4,779.22	-	16,875.81
Other financial liability	288.21	343.95	1,134.22	1,766.38

*Borrowing which is less than 1 years includes the rollover nature credit facility like cash credit, working capital demand loan & overdraft facility

53 Capital Management

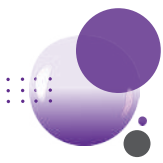
For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Group. The primary objective of the Group when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

As at 31st March, 2022, 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.

Particulars	₹ Million	
	As at March 31, 2022	As at March 31, 2021
Total debt	22,616.12	22,663.89
Total equity	23,836.36	23,195.66
Total debt to total equity ratio (gearing ratio)	0.95	0.98

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.

- 54 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 49% (P.Y. 26%), Advance Construction Co. Pvt. Ltd. 3% (P.Y. 12.5%), Apollo Buildwell Pvt. Ltd. Nil (P.Y. 12.5%), Mr. Sandeep Das Nil (P.Y. 25%), Mascot Developers Pvt. Ltd. Nil (P.Y. 24%) & Broadcast Lawgical Networks (OPC) Pvt. Ltd. 48% (P.Y. Nil).



Notes to Consolidated Financial Statements for the year ended March 31, 2022

- 55 During the year company has made a political contribution of Nil (P.Y. ₹ 30 million) to political parties.
- 56 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.

57 Relationship with struck-off companies

There are no transactions with the Companies whose name are struck off under section 248 of The Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year ended March 31, 2022.

- 58 During the previous year, the Board of the Company approved the scheme of merger of below 14 subsidiaries / Step down subsidiaries with the Company with an appointed date of April 1, 2021. The petition for the same has been filed with the National Company Law Tribunal, Mumbai and Hyderabad and final order for approval of the scheme is awaited.

- | | |
|--------------------------------------|--|
| a) Patel Energy Resources Ltd. | h) Patel Thermal Energy Pvt. Ltd. |
| b) PEL Power Ltd. | i) Patel Hydro Power Pvt. Ltd. |
| c) PEL Port Pvt. Ltd. | j) Zeus Minerals Trading Pvt. Ltd. |
| d) Patel Energy Projects Pvt. Ltd. | k) Patel Concrete and Quarries Pvt. Ltd. |
| e) Patel Energy Assignment Pvt. Ltd. | l) Patel Land Ltd. |
| f) Patel Energy Operation Pvt. Ltd. | m) Patel Engineers Pvt. Ltd. |
| g) Jayshe Gas Power Pvt. Ltd. | n) Phedra Projects Pvt. Ltd. |

59 Ageing of trade payable

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Unbilled / not due	
As on March 31, 2022						
(i) MSME	63.76	12.90	5.39	0.20	14.58	96.84
(ii) Others	6,613.22	1,110.15	588.36	944.56	9,591.75	18,848.04
(iii) Disputed dues — MSME	-	-	-	-	-	-
(iv) Disputed dues - others	0.03	1.32	4.41	17.57	41.11	64.44
Total	6,677.01	1,124.38	598.16	962.33	9,647.44	19,009.32
As on March 31, 2021						
(i) MSME	27.53	5.98	0.02	-	12.09	45.61
(ii) Others	6,340.66	987.66	155.22	907.00	8,351.72	16,742.25
(iii) Disputed dues — MSME	-	-	-	-	-	-
(iv) Disputed dues - others	1.42	13.76	14.15	6.59	52.02	87.94
Total	6,369.61	1,007.40	169.39	913.59	8,415.82	16,875.81

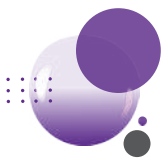
Notes to Consolidated Financial Statements for the year ended March 31, 2022

60 Additional Regulatory Information required by schedule III to the Companies Act, 2013

- i) The Group does not have has any benami property held in its name. No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- ii) The Group does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.
- iii) The Group has not traded or invested in Crypto currency or Virtual Currency during the year.
- iv) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- v) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries to third parties
- vi) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

61 Key Financials Ratio

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Variance	Reason for variance
Current ratio	Total current assets	Total current liabilities	1.41	1.46	-4%	
Debt-equity ratio	Total debt	Total equity	0.95	0.98	-3%	
Debt service coverage ratio	Earning before depreciation interest and taxes	Interest +current maturity of LTD payable in current year	0.92	0.75	23%	
Return on equity ratio	Profit after tax	Total equity for parent	3.01%	-12.53%	-124%	Due to robust Group performance and operation efficiencies, EBITDA, profit after tax has increased.
Inventory turnover ratio*	NA	NA	NA	NA	NA	
Trade receivable turnover ratio	Revenue from operation	Average of opening and closing of current debtors	1.61	1.00	62%	Due to robust Group performance, turnover has increased.



Notes to Consolidated Financial Statements for the year ended March 31, 2022

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Variance	Reason for variance
Trade payable turnover ratio	Cost of materials consumed	Average of opening and closing of current trade payable	1.65	0.75	120%	Due to improvement in working capital cycle, despite of increasing the consumption in line of turnover, trade payable ratio has increased.
Net capital turnover ratio	Revenue from operation	Working capital (current assets - current liabilities)	2.17	1.23	77%	Due to robust Group performance turnover has increased.
Net profit ratio	Profit after tax including associates	Revenue from operation	2.13%	-14.58%	-115%	Due to robust Group performance and operation efficiencies, EBITDA, profit after tax has increased.
Return on capital employed	Profit before interest, tax and exceptional items	Average capital employed (total equity + total debt)	11.92%	5.85%	104%	
Return on investment	Income during the year on investment	Weighted average of investment	3.33%	10.10%	-67%	Last year performance of fund in which investment was made is better than current year.

*Considering the nature of industry in which the Group is operating, Inventory turnover ratio is not material.

- 62 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

T. P. Ostwal
 Partner
 Membership No. 030848

Place : Mumbai
 Date : May 23, 2022

For and on behalf of Board

Rupen Patel
 Chairman &
 Managing Director
 DIN : 00029583

Shobha Shetty
 Company Secretary
 Mem. No.: F10047

Kavita Shirvaikar
 Chief Financial Officer &
 Director
 DIN : 07737376

Sunil Sapre
 Director
 DIN : 05356483

Independent Auditor's 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, 2022, 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit 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 (ICAI), 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), without qualifying their audit report dated May 23, 2022 on the financial statements for the year ended March 31, 2022, 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 4, 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, 2022. 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	<p>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"</p> <p>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.</p> <p>Refer notes 1.j and 26 to the Standalone Financial Statements.</p>	<p>Principal Audit Procedures</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • 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	<p>Accounting of contract work-in-progress for engineering construction projects</p> <p>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.</p> <p>Refer notes 1.i and 10 to the Standalone Financial Statements.</p>	<p>Principal Audit Procedures</p> <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • 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	<p>Valuation of claims under settlement</p> <p>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:</p> <ul style="list-style-type: none"> • Non acceptance of certain work by the client. • Cost overrun in certain contracts. • Reimbursement of the cost incurred by the company for the client. <p>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</p> <p>Refer notes 1.j, 44 to the Standalone Financial Statements</p>	<p>Principal Audit Procedures</p> <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • 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, 2022. • Obtaining representation letter from the management on the assessment of these matters as per SA 580 (revised) – written representations.
4	<p>Assessment of impairment of investment in and loans given to subsidiaries, joint ventures and associates</p> <p>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.</p> <p>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.</p> <p>Refer notes 1.g , 3 and 5 to the Standalone Financial Statements</p>	<p>Principal Audit Procedures</p> <p>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.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> • Consideration and evaluation of company's analyses on its overall exposure to each of these subsidiaries; • Analyses and assessment of the appropriateness of the key judgements and assumptions, used by company's management. <p>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</p>

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. The other information is expected to be made available to us after the date of the Auditor's Report.

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 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.



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 Ind AS and other accounting principles generally accepted in India. 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 with reference to consolidated financial statements 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, 2022 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 ₹ 5,002.35 Million as at March 31, 2022, total revenue of ₹ 229.55 Million, total profit (net) after tax of ₹ 190.20 Million and total comprehensive income (net) of ₹ 190.20 Million for the year ended March 31, 2022
 - ii. 21 joint operations, whose financial results reflect total assets of ₹ 2,160.97 Million as at March 31, 2022, Group's Share in total revenue after elimination of ₹ 3,326.81 Million, total profit (net) after tax of ₹ 108.48 Million and total comprehensive income (net) of ₹ 108.95 Million for the year ended March 31, 2022

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 branch and joint operations, and our report in terms of sub-section (3) of Section 143 of the Act including report on other information, 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 ₹ 212.68 Million as at March 31, 2022, Group's Share in total revenue after elimination of inter-company revenue, is NIL, total Profit (net) after tax of NIL and total comprehensive income (net) of NIL for the year ended March 31, 2022

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 including report on other information in so far as it relates to the aforesaid joint operations, 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, 2020 ("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.
 - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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, 2022 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 48 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.
 - iv.
 - (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



- (c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under (a) and (b) above, contain any material misstatement.
- v. The Company has not paid or declared any dividend during the year.

For T. P. Ostwal & Associates LLP

Chartered Accountants

Firm Registration No. 124444W/W100150

T. P. Ostwal

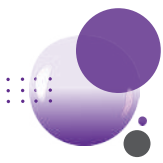
Partner

Membership Number: 030848

UDIN: 22030848AJKFNQ6976

Place: Mumbai

Date: May 23, 2022



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)

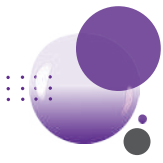
- i (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note 2 on Property, plant and equipment to the standalone financial statements, are held in the name of the Company, except for the following:

Description of property	Gross carrying value (₹ Millions)	Held in the name of	Whether promoter, director or their relative or employee	Period held from	Reason for not being held in the name of the Company
Land	7,091.87	PEL Power Ltd., Jayshe Gas Power Pvt. Ltd., Patel Energy Assignment Pvt. Ltd., Patel Energy Operations Pvt. Ltd., Patel Energy Projects Pvt. Ltd., Patel Thermal Energy Projects Pvt. Ltd., PEL Port Pvt. Ltd.	Step-down subsidiary companies	FY 2020-21	Entities are part of merger scheme and they will merge with the Company on receipt of merger order from competent authority
Land	8.02	Mr. Muthuraj	Employee	FY 2009-10	Ownership of asset by Directors / officials of the Company was permitted as per the erstwhile Companies Act, 1956 The land was purchased accordingly.
Land	23.71	Mrs. Silloo Yezdi Patel	Ex-director	FY 2001-02	
Land	4.07	Mr. Rupen Pravin Patel	Director	FY 2000-01	

- (d) The Company has not revalued its Property, Plant and Equipment (including Right-of-use assets) or intangible assets during the year. Accordingly, paragraph 3(i)(d) of the order is not applicable to the Company.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its Standalone Financial Statements does not arise.
- ii (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedures of such verification by Management is appropriate. In respect of inventories

of stores and spares, the Management has a verification programme designed to cover the items over a period of three years. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

- (b) During the year, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks on the basis of security of current assets. Based on the information and explanation given to us, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account.
- iii (a) According to information and explanation given to us, the Company has, during the year, made investment in one company, granted unsecured loans to thirty three entities. The aggregate amount of investment made during the year is ₹ 0.69 million, and loan granted is ₹ 404.74 million and balance outstanding at the balance sheet date with respect to such loans to subsidiaries, joint ventures, partnership firm and associates is ₹ 3,046.91 million.
- (b) In respect of the aforesaid investments, guarantees, securities and loans, the terms and conditions under which such investments were made, guarantees provided, securities provided and loans were granted are not prejudicial to the Company's interest, based on the information and explanations provided by the Company.
- (c) In respect of the loans outstanding as on the balance sheet date, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.
- (d) There is no loan and interest are overdue as per agreed stipulation, Hence paragraph 3(iii) (d) of the Order is not applicable to the Company.
- (e) During the year, there is no loans which are due as per agreed stipulation, Hence paragraph 3(iii) (e) of the Order is not applicable to the Company.
- (f) The loans granted during the year, including to related parties had stipulated the scheduled repayment of principal and payment of interest and the same were not repayable on demand. No loans were granted during the year to promoters.
- 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 ₹ 0.19 million which are outstanding as at March 31, 2022 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	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	940.21	Hon'ble High Court
	2010-11, 2012-13, 2014-15 to 2017-18	1,852.71	Commissioner of Income Tax (Appeals)
		27.99	Commissioner of Income Tax (Appeals) TDS
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	191.45	Commissioner of Income Tax (Appeals)
	2015-2016 to 2016-17	32.87	The Director, Objections Appeals and Dispute Resolutions Dept. Mauritius
Maharashtra Value Added Taxes Act, 2005	2015-16	13.50	Deputy Commissioner (A), Mumbai

- viii According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

- (c) In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, there are no funds raised on short-term basis which have been used for long-term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x (a) The Company has not raised any money by way of initial public offer and through debt instruments by way of further public offer during the year. Accordingly, paragraph 3(x)(a) of the Order is not applicable to the Company.
- (b) During the year, the company has made preferential allotment of shares to the lenders of the subsidiary in lieu of their liability. 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 shares.
- xi (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, paragraph 3(xi)(b) of the Order is not applicable to the Company.

During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has not received any whistle-blower complaints during the year.

- 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 The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
- xiv (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- 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 (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- xvii The Company has not incurred any cash losses in the financial year. In the immediately preceding financial year, it has incurred cash losses of ₹ 1,072.45 Millions.
- xviii There has been no resignation of the statutory auditors during the year and accordingly paragraph 3(xviii) of the Order is not applicable to the Company.
- xix According to the information and explanations given to us and on the basis of the financial ratios (also refer note 61 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx There is no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a fund specified in Schedule VII to the Companies Act in Compliance with second proviso to sub-section (5) of section 135 of the said act. Accordingly, reporting under clause 3(xx) is not applicable to the Company.
- xxi The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For T. P. Ostwal & Associates LLP

Chartered Accountants

Firm Registration No. 124444W/W100150

T. P. Ostwal

Partner

Membership Number: 030848

UDIN: 22030848AJKFNQ6976

Place: Mumbai

Date: May 23, 2022

ANNEXURE B to Independent Auditors' Report on the Financial Statements of Patel Engineering Limited for the year ended March 31, 2022

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

(Referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" 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, 2022 in conjunction with our audit of the Financial Statements of the Company as at and 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 with reference to Financial Statements based on the 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 ("the Guidance Note"). 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 with reference to these Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Financial Statements. 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 with reference to these Financial Statements were established and maintained and whether 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 with reference to these Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to these Financial Statements included obtaining an understanding of such internal financial controls, 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 with reference to these Financial Statements.

Meaning of internal financial controls with reference to financial statements

A company's internal financial controls with reference to these 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 controls with reference to these Financial Statements include 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to these Financial Statements to future periods are subject to the risk that the internal financial controls with reference to these 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 with reference to these Financial Statements and such internal financial controls with reference to these Financial Statements were operating effectively as at March 31, 2022, based on the internal controls with reference to these Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For T. P. Ostwal & Associates LLP

Chartered Accountants

Firm Registration No. 124444W/W100150

T. P. Ostwal

Partner

Membership Number: 030848

UDIN: 22030848AJKFNQ6976

Place: Mumbai

Date: May 23, 2022

Balance Sheet

as at March 31, 2022

	Notes	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
I. ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	2	11,547.18	3,598.01
(b) Capital work-in-progress		54.23	54.57
(c) Intangible assets		8.80	3.04
(d) Financial assets			
(i) Investments	3	6,384.40	6,539.91
(ii) Trade receivables	4	4,680.29	3,060.04
(iii) Loans	5	3,572.16	10,733.06
(iv) Other financial assets	6	1,845.29	1,290.13
(e) Deferred tax assets (net)	7	1,884.21	1,923.41
(f) Current tax assets (net)	8	454.27	23.16
(g) Other non current assets	9	5,272.51	5,715.75
Total non current assets		35,703.34	32,941.08
2 Current assets			
(a) Inventories	10	28,997.00	28,523.19
(b) Financial assets			
(i) Trade receivables	4	3,826.20	3,358.89
(ii) Cash and cash equivalents	11	1,914.35	1,139.26
(iii) Other bank balances	12	-	-
(iv) Loans	5	917.09	1,926.68
(v) Other financial assets	6	121.95	116.67
(c) Other current assets	9	7,885.49	6,681.05
(d) Assets classified as held for sale	13	-	-
Total current assets		43,662.08	41,745.74
TOTAL ASSETS		79,365.42	74,686.82
II. EQUITY AND LIABILITIES			
1 Shareholders' fund			
(a) Equity share capital	14	479.23	465.45
(b) Other equity		25,070.98	24,458.04
Total equity		25,550.21	24,923.49
2 Liabilities			
Non current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	5,904.31	5,351.95
(ii) Lease liability	16	184.32	270.84
(iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	17	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		5,771.30	4,779.24
(iv) Other financial liabilities	18	1,667.28	1,283.80
(b) Provisions	19	136.05	110.35
(c) Other non current liabilities	20	6,860.85	7,775.02
(d) Deferred revenue	21	64.73	68.01
Total non current liabilities		20,588.84	19,639.21
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	14,002.76	13,835.43
(ii) Lease liability	16	105.92	27.25
(iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	23	35.88	31.97
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		12,524.74	11,193.53
(iv) Other financial liabilities	24	114.25	177.47
(b) Provisions	19	58.14	61.76
(c) Other current liabilities	25	6,384.68	4,796.71
Total current liabilities		33,226.37	30,124.12
TOTAL EQUITY AND LIABILITIES		79,365.42	74,686.82
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 and on behalf of Board

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

T. P. Ostwal
Partner
Membership No. 030848

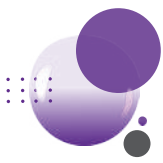
Place : Mumbai
Date : May 23, 2022

Rupen Patel
Chairman &
Managing Director
DIN : 00029583

Sunil Sapre
Director
DIN : 05356483

Kavita Shirvaikar
Chief Financial Officer &
Director
DIN : 07737376

Shobha Shetty
Company Secretary
Mem. No.: F10047



Statement of Profit and Loss for the year ended March 31, 2022

	Notes	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
I. Revenue from operations	26	30,277.91	17,191.25
II. Other income	27	1,346.53	1,433.07
III. Total income (I + II)		31,624.44	18,624.32
IV. Expenses:			
Cost of construction	28	21,830.89	12,628.03
Employee benefits expense	29	2,501.35	1,876.04
Finance costs	30	3,933.62	3,693.83
Depreciation and amortization expense	2	681.40	639.06
Other expenses	31	1,365.64	998.69
Total expenses		30,312.90	19,835.65
V. Profit/(Loss) before exceptional items and tax (III-IV)		1,311.54	(1,211.33)
VI. Exceptional items	32	463.55	939.13
VII. Profit/(Loss) before tax (V - VI)		847.99	(2,150.46)
VIII. Tax expense:			
(1) Current tax		265.77	49.50
(2) Earlier years		-	-
(3) Deferred tax		57.16	(815.98)
IX. Profit / (Loss) for the year (VII-VIII)		525.06	(1,383.98)
X. Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		12.83	(57.73)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(4.34)	20.24
XI. Total other comprehensive income		8.49	(37.49)
XII. Total comprehensive income for the year (IX+XI) (Comprising profit / (loss) and other comprehensive income for the year)		533.55	(1,421.47)
XIII. Earnings per equity share (₹):			
(1) Basic	36	1.11	(3.23)
(2) Diluted		1.11	(3.23)
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

T. P. Ostwal
Partner
Membership No. 030848

Place : Mumbai
Date : May 23, 2022

For and on behalf of Board

Rupen Patel
Chairman &
Managing Director
DIN : 00029583

Sunil Sapre
Director
DIN : 05356483

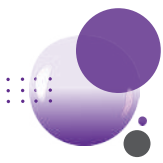
Kavita Shirvaikar
Chief Financial Officer &
Director
DIN : 07737376

Shobha Shetty
Company Secretary
Mem. No.: F10047

Cash Flow Statement

for the year ended March 31, 2022

	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) after tax	525.06	(1,383.98)
Adjustment for:		
Depreciation/ amortisation	681.40	639.06
Tax expenses	322.92	(766.48)
Finance charges	3,933.62	3,693.83
Interest income and dividend received	(881.14)	(944.93)
Foreign exchange (gain)/loss	(72.39)	59.34
Provision for leave salary	28.11	13.05
Provision for gratuity	(6.02)	44.93
Share in profit from Joint operations	(108.90)	(62.16)
Provision for impairment	458.44	1,198.46
Profit on sale of assets	(5.23)	(4.79)
Excess credit written back	(155.26)	(775.77)
Irrecoverable debts and advances written off	114.81	500.95
ESOP compensation expenses	0.44	1.08
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	4,835.85	2,212.57
Adjustment for changes in:		
Trade and other receivables	(3,268.54)	1,310.98
Inventories	251.22	(1,050.80)
Trade and other payables (excluding income tax)	2,732.05	67.66
Cash from operations	4,550.58	2,540.41
Direct tax (paid)	(696.88)	(122.31)
NET CASH FROM OPERATING ACTIVITIES (A)	3,853.70	2,418.11
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including capital work in progress and capital advances)	(1,510.55)	(1,111.94)
Sale of fixed assets	148.82	76.85
Decrease / (Increase) in loans to subsidiaries / JV / associates	342.03	(34.80)
Sale of investments	1.00	-
Purchase of investments	(1.18)	(4.98)
Increase in other bank balances	62.03	54.29
Interest and dividend received	95.38	798.03
NET CASH USED IN INVESTING ACTIVITIES (B)	(862.48)	(222.54)



Cash Flow Statement

for the year ended March 31, 2022

	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of shares	(0.00)	(0.00)
Share/Debenture issue expenses		
Proceeds from borrowings	2,557.08	1,933.59
Repayment of borrowings	(1,997.19)	(1,221.98)
Finance charges paid	(2,848.41)	(2,774.92)
NET CASH USED IN FINANCING ACTIVITIES (C)	(2,288.52)	(2,063.30)
Net increase in cash and cash equivalent (A+B+C)	702.70	132.26
Opening balance of cash and cash equivalents	1,139.26	1,066.34
Balance of cash and cash equivalents	1,841.96	1,198.60

Notes to cash flow statement

a) Cash and cash equivalents

Cash on hand and balance with banks	1,914.35	1,139.26
Effect of exchange rate changes	(72.39)	59.34
Closing cash and cash equivalents as restated	1,841.96	1,198.60

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, 2022	Opening balance	Cash flow	Non-cash changes	Closing balance
Borrowings (including short term borrowing, long term borrowing & lease liability)	19,485.46	559.89	151.95	20,197.30
Total	19,485.46	559.89	151.95	20,197.30
March 31, 2021	Opening balance	Cash flow	Non-cash changes	Closing balance
Borrowings (including short term borrowing, long term borrowing & lease liability)	19,037.52	711.61	(263.67)	19,485.46
Total	19,037.52	711.61	(263.67)	19,485.46

As per our report of even date

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

T. P. Ostwal
Partner
Membership No. 030848

Place : Mumbai
Date : May 23, 2022

For and on behalf of Board

Rupen Patel
Chairman &
Managing Director
DIN : 00029583

Sunil Sapre
Director
DIN : 05356483

Kavita Shirvaikar
Chief Financial Officer &
Director
DIN : 07737376

Shobha Shetty
Company Secretary
Mem. No.: F10047

Statement of Changes in Equity

for the year ended March 31, 2022

(A) EQUITY SHARE CAPITAL

Particulars	Number of shares	₹ Million
Equity shares of ₹ 1/- each issued, subscribed and paid		
As at March 31, 2020	408,178,292	408.18
Issue of equity shares	57,274,732	57.27
As at March 31, 2021	465,453,024	465.45
Issue of equity shares	13,777,470	13.78
As at March 31, 2022	479,230,494	479.23

(B) OTHER EQUITY

Particulars	Reserves and surplus						Total equity attributable to equity holders
	Equity component of compound financial instruments	Capital reserve	General reserve	Securities premium	Stock option outstanding account	Capital redemption reserve	
As at March 31, 2020	166.69	266.51	2,811.97	14,119.58	12.93	300.00	25,292.65
Profit for the year	-	-	-	-	-	-	(1,383.98)
- Other comprehensive income for the year	-	-	-	-	-	-	(37.50)
- on account of consolidation of joint venture	-	-	-	-	-	-	(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
- Transfer from / to debenture redemption reserve	-	-	-	-	-	-	-
As at March 31, 2021	-	266.51	2,811.97	14,939.55	1.56	300.00	24,458.04
Profit for the year	-	-	-	-	-	-	525.06
- Other comprehensive income for the year	-	-	-	-	-	-	8.49
- on account of consolidation of joint venture	-	-	-	-	-	-	(108.90)
- issued during the year	-	-	-	189.85	-	-	189.85
- Issue of equity shares	-	-	-	-	-	-	-
- Share issue expenses	-	-	-	-	-	-	-
- Employee stock option	-	-	-	-	(1.56)	-	(1.56)
- Transfer from / to debenture redemption reserve	-	-	-	-	-	-	-
As at March 31, 2022	-	266.51	2,811.97	15,129.40	-	300.00	25,070.98

Statement of Changes in Equity

for the year ended March 31, 2022

Capital reserve : The Company recognizes reserve on investment in partnership 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 Company Act, 2013 and amendment thereof.

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.

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 Financial Statement for the year ended March 31, 2022

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 May 23, 2022.

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 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) 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:

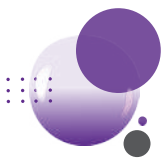
The preparation of financial statements in conformity with Generally Accepted Accounting Principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the 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 Financial Statement for the year ended March 31, 2022

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 definition 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.

Notes to Financial Statement for the year ended March 31, 2022

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

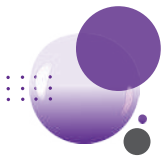
As per Ind AS 111 - Joint arrangements, investment in joint arrangement is classified as either joint operation or joint venture. The classification depends on the contractual rights and obligations of each investor rather than legal structure of the joint arrangement.

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 Financial Statement for the year ended March 31, 2022

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.

Notes to Financial Statement for the year ended March 31, 2022

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 :

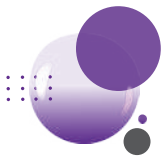
Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

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



Notes to Financial Statement for the year ended March 31, 2022

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.

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.

Notes to Financial Statement for the year ended March 31, 2022

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**

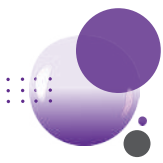
Borrowing costs directly attributable and identifiable to the acquisition or construction of qualifying assets are capitalized till the date such qualifying assets are ready to be put to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.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

u) **Leases**

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



Notes to Financial Statement for the year ended March 31, 2022

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, 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 under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to conceptual framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the conceptual framework

Notes to Financial Statement for the year ended March 31, 2022

for financial reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact on its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments specifies that excess of sales proceeds of items produced over the cost of testing, if any shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The Company does not expect the amendment to have any significant impact on its financial statements.

Ind AS 37 – Onerous contracts - costs of fulfilling a contract

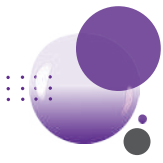
The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact on its financial statements.

Ind AS 41 – Agriculture – fair value measurement

The amendment aligns the fair value measurement in Ind AS 41 with requirements of Ind AS 113 – Fair value measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post tax cash flows and discount rates for the most appropriate fair value measurement. The Company does not expect the amendment to have any significant impact on its financial statements.

Ind AS 109 – Annual improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact on its financial statements.



Notes to Financial Statement for the year ended March 31, 2022

Note : 2 PROPERTY, PLANT AND EQUIPMENT AS AT MARCH 31, 2022

Particulars	Gross block			Depreciation and amortization			Net book value	
	As at April 1, 2021	Addition	Deduction/retirement	As at March 31, 2022	As at April 1, 2021	For the year /deduction	As at March 31, 2022	As at March 31, 2021
TANGIBLE ASSETS								
Land ¹	169.29	7,121.38	-	7,290.67	-	-	7,290.67	169.29
Building ²	424.97	6.06	113.13	317.90	122.10	8.50	116.86	302.88
Plant and equipment ³	6,524.51	1,287.83	386.54	7,425.80	3,940.17	498.33	4,085.86	2,584.33
Furniture and fixtures	44.02	6.05	0.34	49.73	39.88	1.52	41.33	4.15
Vehicles ⁴	1,345.21	241.18	14.89	1,571.50	1,112.73	69.10	1,167.52	232.47
Office equipments	46.17	5.91	0.01	52.07	43.25	1.58	44.82	2.93
Others ⁵	40.08	5.28	10.69	34.67	28.96	1.08	28.71	11.12
Electric equipment	97.14	39.41	-	136.55	61.58	10.89	72.47	35.56
Computer equipments	115.56	18.56	0.37	133.75	89.00	14.32	102.95	26.57
	8,806.95	8,731.66	525.97	17,012.64	5,437.67	605.32	5,660.52	3,369.29
RIGHT TO USE								
Building	3.69	15.11	-	18.80	2.30	4.84	7.14	1.38
Land	-	3.15	-	3.15	-	1.06	1.06	-
Plant and equipment	468.90	21.49	0.13	490.26	249.97	65.97	315.89	218.93
Vehicles	12.06	-	-	12.06	3.66	1.46	5.12	8.40
	484.65	39.75	0.13	524.27	255.94	73.32	329.21	228.71
TOTAL PPE AND RIGHT TO USE	9,291.60	8,771.41	526.10	17,536.91	5,693.61	678.64	5,989.73	3,598.00
INTANGIBLE ASSETS								
Computer software	55.56	8.52	-	64.08	52.53	2.76	55.29	3.03
CAPITAL WORK IN PROGRESS								
TOTAL	9,347.16	8,779.93	526.10	17,600.99	5,746.14	681.40	6,045.02	3,655.60

₹ Million

Notes to Financial Statement

for the year ended March 31, 2022

1 Title deeds of Immovable Property not held in the name of the Company:

Particulars	Description of items of property	Gross carrying value	Title deed held in the name of promoters, director or relative of promoters/director/employee of promoters or director	Whether title deed holder is a promoter, director or relative of promoters/director/employee of promoters or director	Property held since which date	Reason for not being held in the name of Company
Property Plant & Equipment	Land	7,091.87	PEL Power Ltd., Jayshe Gas Power Pvt. Ltd., Patel Energy Assignment Pvt. Ltd., Patel Energy Operations Pvt. Ltd., Patel Energy Projects Pvt. Ltd., Patel Thermal Energy Projects Pvt. Ltd., PEL Port Pvt. Ltd.	Step-down subsidiaries of Patel Engineering Limited	FY 2021-22	Entities are part of merger scheme and they will merge with the Company on receipt of merger order from Competant Authority
Property Plant & Equipment	Land	8.02	Mr. Muthuraj	Employee	FY 2009-10	Ownership of asset by Directors / officials of the Company was permitted as per Companies act.
Property Plant & Equipment	Land	23.71	Mrs. Silloo Yezdi Patel	Ex-director	FY 2001-02	The land was purchased accordingly.
Property Plant & Equipment	Land	4.07	Mr. Rupen Pravin Patel	Director	FY 2000-01	

2 a) Building includes building [gross block ₹ 166.30 million (₹ 277.79 million), accumulated depreciation ₹ 45.72 million (₹ 56.56 million)] and factory building [gross block ₹ 151.67 million (₹ 147.19 million), accumulated depreciation ₹ 71.19 million (₹ 60.69 million)]

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

3 Includes assets costing ₹ 37.12 million (₹ 37.37 million) not commissioned/erected/put to use, Nil (P.Y. Nil) towards exchange rate difference.

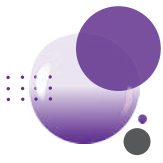
Vehicles includes	Gross block 2021-22	Gross block 2020-21	Acc dep. 2021-22	Acc dep. 2020-21
Motor car	297.78	281.14	227.43	212.62
Motor truck	1,270.14	1,060.49	937.23	897.51
Motor cycle	3.58	3.58	3.02	2.77

Others include	Gross block 2021-22	Gross block 2020-21	Acc dep. 2021-22	Acc dep. 2020-21
Ship	0.06	0.06	0.06	0.06
Rails and trolley	34.60	40.01	28.65	28.91

Capital Work in Progress (CWIP) ageing schedule

Particulars	Amount in CWIP for a period of			Total
	Less than 1 Years	1-2 years	2-3 years More than 3 years	
Project in Progress	51.32	-	2.91	54.23

There are no capital work-in-progress where completion is overdue against planned timelines or where estimated cost exceeds its original planned cost as on March 31, 2022.



Notes to Financial Statement

for the year ended March 31, 2022

Note : 2 (contd.) PROPERTY, PLANT AND EQUIPMENT AS AT MARCH 31, 2021

Particulars	Gross block			Depreciation and amortization			Net book value	
	As at April 1, 2020	Addition	Deduction/ retirement	As at April 1, 2020	For the year /deduction	As at March 31, 2021	As at Mar 31, 2021	As at March 31, 2020
TANGIBLE ASSETS								
Land ¹	169.29	-	-	-	-	-	169.29	169.29
Building ²	424.97	-	-	112.33	9.76	122.10	302.88	312.64
Plant and equipment ³	5,387.18	1,178.49	41.16	3,560.44	389.37	3,940.17	2,584.33	1,826.74
Furniture and fixtures	42.85	1.17	-	38.82	1.06	39.88	4.15	4.04
Vehicles ⁴	1,263.99	81.22	-	1,032.41	80.33	1,112.73	232.47	231.58
Office equipments	45.75	0.42	-	41.85	1.40	43.25	2.93	3.91
Others ⁵	40.08	-	-	28.07	0.89	28.96	11.12	12.01
Electric equipment	75.48	21.66	-	53.92	7.66	61.58	35.56	21.56
Computer equipments	100.92	14.78	0.13	80.36	8.76	89.00	26.57	20.56
	7,550.51	1,297.74	41.29	4,948.19	499.23	5,437.67	3,369.29	2,602.32
RIGHT TO USE⁶								
Building	83.79	0.13	80.24	22.96	19.47	2.30	1.38	60.83
Plant and equipment	469.46	-	0.55	132.32	117.80	249.97	218.93	337.14
Vehicles	12.06	-	-	2.20	1.46	3.66	8.40	9.86
	565.32	0.13	80.80	157.48	138.72	255.94	228.71	407.84
TOTAL PPE AND RIGHT TO USE	8,115.83	1,297.87	122.09	5,105.67	637.96	5,693.60	3,598.00	3,010.16
INTANGIBLE ASSETS								
Computer software	53.92	1.64	-	51.42	1.10	52.53	3.03	2.50
CAPITAL WORK IN PROGRESS								
	8,169.75	1,299.51	122.09	5,157.10	639.06	5,746.13	3,655.60	3,118.65

₹ Million

Notes to Financial Statement

for the year ended March 31, 2022

1 Title deeds of Immovable Property not held in the name of the Company:

Particulars	Description of items of property	Gross carrying value	Title deed held in the name of promoters/director/employee of promoters or director	Whether title deed holder is a promoters, director or relative of promoters/director/employee of promoters or director	Property held since which date	Reason for not being held in the name of Company
Property Plant & Equipment	Land	23.71	Mrs. Silloo Yezdi Patel	Ex-director	FY 2001-02	Ownership of asset by Directors / officials of the Company was permitted as per Companies act. The land was purchased accordingly.
Property Plant & Equipment	Land	4.07	Mr. Rupen Pravin Patel	Director	FY 2000-01	

2 a) Building includes building [gross block ₹ 277.79 million (₹ 277.79 million), accumulated depreciation ₹ 56.56 million (₹ 51.64 million)] and factory building [gross block ₹ 147.19 million (₹ 147.19 million), accumulated depreciation ₹ 65.94 million (₹ 60.69 million)]

b) ₹ 0.0083 million (₹ 0.0083 million) being the value of 165 shares (P.Y. 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 (P.Y. Nil) towards exchange rate difference.

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

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

6 Capital Work in Progress (CWIP) ageing schedule

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Years	1-2 years	2-3 years	More than 3 years	
Project in Progress	51.65	-	-	2.91	54.57

There are no capital work-in-progress where completion is overdue against planned timelines or where estimated cost exceeds its original planned cost as on March 31, 2021.



Notes to Financial Statement for the year ended March 31, 2022

NOTE : 3

INVESTMENT

NON-CURRENT INVESTMENTS	March 31, 2022 ₹ Million	March 31, 2021 ₹ 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
Nil (50,000) of Apollo Buildwell Pvt. Ltd., face value ₹10/- per share	-	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
4,09,422 shares (4,09,422) 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
72,10,000 shares (72,10,000) of Bhooma Realties Pvt. Ltd., face value ₹ 10/-per share	72.28	72.28
78,80,000 shares (78,80,000) of Shashvat Land Projects Pvt. Ltd., face value ₹ 10/- per share	79.00	79.00
70,00,000 shares (70,00,000) of Pandora Infra Pvt. Ltd., face value ₹ 10/- per share	70.18	70.18
91,00,000 shares (91,00,000) of Patel Engineers Pvt. Ltd., face value ₹ 10/- per share	91.23	91.23
55,10,000 shares (55,10,000) of Vismaya Constructions Pvt. Ltd., face value ₹ 10/- per share	55.24	55.24
1,40,70,000 shares (1,40,70,000) of Patel Patron Pvt. Ltd., face value ₹ 10/- per share	141.05	141.05
1,00,00,000 shares (1,00,00,000) 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
1,00,000 shares (1,00,000) 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	222.00
2,87,93,077 shares (2,61,93,077) of Patel Engineering Lanka Pvt Ltd., face value LKR 1/- per share	11.90	11.21
	5,624.07	5,623.88
In associates		
Other investments		
84,95,040 shares (84,95,040) of ACP Tollways Pvt. Ltd., face value ₹ 100/- per share	849.50	849.50
2,40,19,600 shares (2,40,19,600) of Hitodi Infrastructure Pvt. Ltd., face value ₹10/- per share	240.20	240.20
2,66,72,000 shares (2,66,72,000) of Raichur Sholapur Transmission Co. Pvt. Ltd., face value ₹ 10/- per share	266.72	266.72
	1,356.42	1,356.42

Notes to Financial Statement for the year ended March 31, 2022

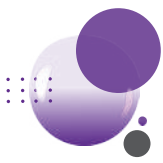
NON-CURRENT INVESTMENTS	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
Investment in redeemable preference shares at cost		
- In subsidiaries		
6,56,01,097 shares (6,56,01,097) of Patel Engineering Lanka Pvt. Ltd., face value LKR 1/- per share	27.33	27.33
	27.33	27.33
Less : Provision for impairment ^{III}	704.56	549.36
	6,303.26	6,458.27
Investment in Government Securities ^{IV}	-	0.12
Investment by joint venture	76.00	76.00
Investment in Partnership Firms ^V	-	-
Investment in Mutual Funds (At FVTPL, Quoted)	5.14	5.52
TOTAL NON -CURRENT INVESTMENT	6,384.40	6,539.91

- I. Aggregated amount of unquoted investments as at March 31, 2022 ₹ 6,379.37 million (P.Y. ₹ 6,534.39 million)
- II. Aggregated amount of quoted investments as at March 31, 2022 ₹ 5.14 million, market value ₹ 5.14 million (P.Y. ₹ 5.52 million, market value ₹ 5.52 million)
- III. Aggregated amount of impairment in value of investments as at March 31, 2022 ₹ 704.56 million (P.Y. ₹ 549.36 million)
- IV. Includes investment in national saving certificates, in the name of directors, lodged with project authorities
- V. In AHCL-PEL partnership firm – AHCL & Mr. Pravin Patel have settled the ongoing arbitration and the other partners shall continue to run the firm. PEL had retired from the firm in previous year and the corresponding share of Mr. Pravin Patel was increased.

NOTE : 4 TRADE RECEIVABLES

	Non-current		Current	
	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
Unsecured, considered good unless otherwise stated				
Receivables outstanding for a period exceeding six months				
Considered good	3,207.07	2,998.64	2,441.64	1,936.55
Considered doubtful	-	-	4.96	5.12
	3,207.07	2,998.64	2,446.60	1,941.67
Less : allowance for doubtful debts	-	-	4.96	5.12
	(A) 3,207.07	2,998.64	2,441.64	1,936.55
Other receivables				
Considered good	(B) 1,473.22	61.40	1,384.56	1,422.34
	(A+B) 4,680.29	3,060.04	3,826.20	3,358.89

- 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 from 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 receivables are net of advances received against arbitration awards/claims of ₹ 3,400.51 millions (P.Y. ₹ 3,381.25 millions).



Notes to Financial Statement for the year ended March 31, 2022

IV Trade receivable ageing Schedule

₹ Million

Particulars	Outstanding for following periods from due date of payment						Total
	Less than 6 months	6 months to 1 years	1-2 years	2-3 years	More than 3 years	Not due / unbilled receivable	
As on March 31, 2022							
Undisputed trade receivable - considered good	1,833.13	665.17	688.30	1,030.49	1,376.92	2,910.19	8,504.21
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	4.85	-	4.85
Undisputed trade receivables - credit impaired	-	-	-	-	2.39	-	2.39
	1,833.13	665.17	688.30	1,030.49	1,384.16	2,910.19	8,511.44
Less: Allowance for doubtful debts	-	-	-	-	4.96	-	4.96
Total receivable	1,833.13	665.17	688.30	1,030.49	1,379.20	2,910.19	8,506.49
As on March 31, 2021							
Undisputed trade receivable - considered good	867.96	220.84	586.57	989.14	1,243.75	2,507.97	6,416.23
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	5.43	-	5.43
Undisputed trade receivables - credit impaired	-	-	-	-	2.39	-	2.39
	867.96	220.84	586.57	989.14	1,251.57	2,507.97	6,424.05
Less: Allowance for doubtful debts	-	-	-	-	5.12	-	5.12
Total receivable	867.96	220.84	586.57	989.14	1,246.45	2,507.97	6,418.93

NOTE : 5 LOANS

	Non-current		Current	
	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
Balance in current account with related parties				
Unsecured, considered good	3,572.16	10,733.06	917.09	1,926.68
Balance which have significant increase in credit risk	1,531.20	1,199.23	4.80	17.29
	5,103.36	11,932.29	921.89	1,943.97
Less: Provision for impairment	1,531.20	1,199.23	4.80	17.29
	3,572.16	10,733.06	917.09	1,926.68

Above loan/current account balance fully pertaining to related parties as identify under IND AS 24.

Notes to Financial Statement for the year ended March 31, 2022

NOTE : 6

OTHER FINANCIAL ASSETS

	Non-current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	₹ Million	₹ Million	₹ Million	₹ Million
Cash and bank balances				
Balance with banks				
-On fixed deposits accounts with scheduled banks*	1,783.40	1,224.22	-	-
Deferred finance cost	56.83	60.85	-	-
Secured deposit				
Unsecured, considered good	5.06	5.06	121.95	116.67
	1,845.29	1,290.13	121.95	116.67

* Includes amount given towards margin money and earnest money deposits.

NOTE : 7

DEFERRED TAX ASSETS

	March 31, 2022	March 31, 2021
	₹ Million	₹ Million
Retained to depreciation on fixed assets	(29.26)	(71.15)
Carry forward of an unused tax credit	620.98	620.98
Other disallowances under the income tax act	1,292.49	1,373.58
	1,884.21	1,923.41

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

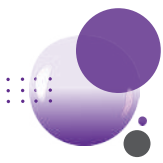
	March 31, 2022	March 31, 2021
	₹ Million	₹ Million
Deferred income tax liability		
Temporary difference on tangible and intangible assets depreciation and amortisation	(29.26)	(71.15)
Deferred income tax asset		
Disallowances under income tax act	1,292.49	1,373.58
Carry forward of an unused tax credit	620.98	620.98
Total deferred tax assets (net)	1,884.21	1,923.41

NOTE : 8

CURRENT TAX ASSETS (NET)

	Non-current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	₹ Million	₹ Million	₹ Million	₹ Million
Advance tax (net) ¹	454.27	23.16	-	-
	454.27	23.16	-	-

1 Includes advance tax which is net of provision for tax ₹ 1,111.71 million (P.Y. ₹ 2261.94 million).



Notes to Financial Statement for the year ended March 31, 2022

- 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, 2022	March 31, 2021
	₹ Million	₹ Million
Profit / (loss) before income tax	847.99	(2,150.46)
Income tax expense calculated at 34.944%	296.32	(751.46)
Effect of expenses not allowed for tax purpose	4.96	257.70
Effect of income not considered for tax purpose	(2.00)	(1.67)
Others	(33.52)	544.93
	265.76	49.50

NOTE : 9 OTHER ASSETS

	Non-current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	₹ Million	₹ Million	₹ Million	₹ Million
Capital advance				
Secured, considered good				
Unsecured, considered good	83.07	111.25	-	-
Security deposit				
Unsecured, considered good	2,499.38	2,928.94	1,188.14	1,226.39
Doubtful	16.76	-		
Advance recoverable				
Unsecured, considered good	180.74	344.06	4,293.85	3,817.34
Doubtful	464.71	527.49	27.30	27.30
Prepaid expenses	208.68	197.71	441.01	379.30
Balance with statutory authorities	877.29	913.45	1,812.77	1,118.54
Accrued interest	1,422.12	1,218.43	37.07	28.58
Receivable on account of sale of long term investments	-	-	51.88	51.88
Non trade receivables	-	-	31.06	25.50
Advances to employees	1.23	1.91	29.71	33.52
	5,753.98	6,243.24	7,912.79	6,708.35
Less: allowance for doubtful advances	481.47	527.49	-	-
Less: provision for impairment	-	-	27.30	27.30
	5,272.51	5,715.75	7,885.49	6,681.05



Notes to Financial Statement for the year ended March 31, 2022

NOTE : 10

INVENTORIES *

(At lower of cost or net realisable value)

	Current	
	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
Stock of land	2,375.78	2,293.71
Stores, embedded goods and spare parts etc. (Includes stores in transit ₹ 37.75 million (P.Y. ₹ 99.80 million)	2,135.28	1,662.01
Work in progress	24,485.94	24,567.47
	28,997.00	28,523.19

*(As technically valued and certified by the management)

NOTE : 11

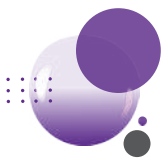
CASH AND CASH EQUIVALENTS

	Current	
	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
Balance with banks		
- On current accounts with scheduled banks	1,858.37	1,021.43
- On fixed deposits accounts with scheduled banks	32.43	98.90
- On fixed deposits accounts with foreign banks	21.35	17.21
- Balances with non scheduled banks	-	-
- Cheques in hand	-	-
- Foreign currency in hand	0.33	0.52
Cash on hand	1.87	1.20
	1,914.35	1,139.26

NOTE : 12

OTHER BANK BALANCES

	Current	
	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
Balances with bank for unpaid dividend	-	-
	-	-



Notes to Financial Statement for the year ended March 31, 2022

NOTE : 13

ASSETS CLASSIFIED AS HELD FOR SALE

	Current	
	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
Investment		
2,50,000 shares (2,50,000) of Bellona Estate Developers Ltd., face value ₹ 10/- per share	-	-
TOTAL	-	-

NOTE : 14

SHARE CAPITAL AND OTHER EQUITY

A) SHARE CAPITAL	March 31, 2022		March 31, 2021	
	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	-	-	-	-

b) Issued, subscribed and fully paid up	March 31, 2022		March 31, 2021	
	No. of shares	₹ Million	No. of shares	₹ Million
Equity shares of ₹ 1/- each	479,230,494	479.23	465,453,024	465.45
	479,230,494	479.23	465,453,024	465.45

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	465,453,024	465.45	408,178,292	408.18
Add :- issued during the year	13,777,470	13.78	57,274,732	57.27
Outstanding at the end of the year	479,230,494	479.23	465,453,024	465.45

Notes to Financial Statement for the year ended March 31, 2022

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	38.67	18,53,31,924	39.82
ii)	Praham India LLP	4,01,95,352	8.39	4,01,95,352	8.63
iii)	Mr. Rupen Pravin Patel	3,46,85,933	7.24	3,46,85,933	7.45

- f) During the financial year 2019-20, Company had made preferential allotment of 53,99,66,397 fully paid-up OCPS to a promoter of the Company pursuant to a contract without payment being received in cash. Out of the above in 2019-20, 37,32,72,000 OCPS 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 previous year (Financial year 20-21) into 91,99,470 equity shares.

Further, during the year, Company has made preferential allotment of 1,37,77,470/- (P.Y. 4,80,75,262/-) fully paid-up shares at a price of ₹ 14.78/- (including security premium of ₹ 13.78/-) to a lender of the subsidiary pursuant to a one time settlement contract without payment being received in cash.

g) Shares reserved under options

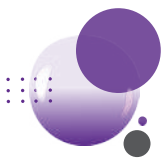
In pursuant to the scheme of Sustainable Structuring of Stressed Assets (S4A scheme), Company has converted debt into 0.01% optionally convertible debentures (OCD) with a 7% IRR. Details note related to outstanding option and term of conversion/redemption of OCD has given under the head of Borrowings.

h) Shareholding of promoters

Shares held by promoters as defined under the Companies Act, 2013 at the end of the year

Promoters name	March 31, 2022			March 31, 2021		
	No. of shares	% of total shares	% changes during the year	No. of shares	% of total shares	% changes during the year
i) Mr. Rupen Patel	34,685,933	7.24	-	34,685,933	7.45	-
ii) Raahitya Constructions Pvt. Ltd.	185,331,924	38.67	-	185,331,924	39.82	-
iii) Praham India LLP	40,195,352	8.39	-	40,195,352	8.64	1.04
iv) Ms. Alina Rupen Patel	1,290,000	0.27	-	1,290,000	0.28	-
v) Ms. Chandrika Patel	149,900	0.03	-	149,900	0.03	-
vi) Mr. Ryan Rupen Patel	90,000	0.02	-	90,000	0.02	-
Total	261,743,109	54.62	-	261,743,109	56.23	1.04

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



Notes to Financial Statement for the year ended March 31, 2022

NOTE : 15 BORROWINGS

	Non-current portion		Current maturities	
	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
I Secured loans				
a) Debentures ¹	3,667.17	4,995.72	1,138.00	-
b) Term loans				
- From bank ²	1,414.25	193.91	773.69	332.26
- From others ³	572.89	162.32	237.84	24.77
II Unsecured loans				
- From related parties ⁴	250.00	-	-	-
- Amount disclosed under "borrowings" in Note No. 22	-	-	(2,149.53)	(357.03)
	5,904.31	5,351.95	-	-

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 (P.Y. ₹1,138.00 million). These NCDs along with the OCDs issued to LIC of ₹ 708.30 million (P.Y. ₹ 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 Ltd.
- 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 allotment and their outstanding details as on March 31, 2022 are as follows -

Tranche 1. (WCTL) ₹ 1,190.73 million (P.Y. ₹ 1,190.73 million), Tranche 2 (CC) ₹ 2,215.05 million (P.Y. ₹ 2,218.45 million), Tranche 3 (GIC OCD) ₹ 43.90 million (P.Y. ₹ 43.90 million), Tranche 7 (LIC) ₹ 708.30 million (P.Y. ₹ 708.30 million) & Tranche 9. (STL) ₹ 9.93 million (P.Y. ₹ 349.00 million). These debentures have a face value of ₹ 1000 each aggregating to ₹ 4,167.89 million as on March 31, 2022 (P.Y. ₹ 4,167.89 million) and outstanding liabilities on these debenture under IND AS 109 is ₹ 3,667.19 million (P.Y. ₹ 3,857.72 million) as on March 22.

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 1,2,3,7,9) 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%.

Notes to Financial Statement for the year ended March 31, 2022

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 15 - 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 22 - 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 15 - 1a) above.

Tranche 1 & Tranche 2 are also secured by pledge of 93,50,927 shares (P.Y. 93,50,927 shares) of the Company held by Promoters and Mr. Pravin Patel 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 9 is secured against the same security as for bank STL - refer note 22 - 1) below in short term loans note.

2 Term loan banks

Term loan includes working capital term loan(WCTL) secured by a First *pari passu* 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 cash flows will be deposited from real estate projects to be developed/monetized by respective companies, Pledge of 93,50,927 shares (P.Y. 93,50,927 shares) shares of the Company held by Promoters and Mr. Pravin Patel and 49% Share holding of Hitodi Infrastructures Pvt. Ltd. held by the Company. The WCTL Term loans were repayable over 1 to 4 years starting FY 2020 to FY 2023. In previous financial year, due to Covid 19 Pandemic, the lenders had invoked one time restructuring (OTR) which has been implemented in current F.Y. by the lenders and all principal repayments have been shifted by 2 years, accordingly, the balance WCTL is repayable from F.Y. 23 to F.Y. 25. Also, the lenders had sanctioned and disbursed FITL (Funded Interest Term Loan) on the said debt from March 1, 2021 upto March 31, 2022. 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 ₹ 572.92 million includes loans from financial institutions on equipment's, secured against the said equipment's. 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 also includes inter corporate deposits 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. It includes project specific funding by financial institution from earmarked non fund based limit , this loans carried an interest rate of average between 10%-11% on an average.

4 From related parties

It includes unsecured long term inter corporate loan payables to promoters of the Company of ₹ 250.00 million (P.Y. Nil).



Notes to Financial Statement for the year ended March 31, 2022

NOTE : 16 LEASE LIABILITY

	Non-current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	₹ Million	₹ Million	₹ Million	₹ Million
Lease liability	184.32	270.84	105.92	27.25
	184.32	270.84	105.92	27.25

NOTE : 17 TRADE PAYABLES*

	Non-current	
	March 31, 2022	March 31, 2021
	₹ Million	₹ Million
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	741.54	773.16
Piece rate wages payable	2,549.97	2,220.42
Provisions - others	1,969.00	1,394.34
Capital creditors	510.79	391.32
	5,771.30	4,779.24

*Ageing of trade payable is given under note no 58

NOTE : 18 OTHER FINANCIAL LIABILITIES

	Non-current	
	March 31, 2022	March 31, 2021
	₹ Million	₹ Million
Interest accrued but not due on borrowings	1,667.28	1,283.80
	1,667.28	1,283.80

NOTE : 19 PROVISIONS

	Non-current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	₹ Million	₹ Million	₹ Million	₹ Million
Provision for employee benefits (refer note no 33)				
Provision for gratuity	24.43	22.55	37.96	45.87
Provision for leave entitlements	111.62	87.80	20.18	15.89
	136.05	110.35	58.14	61.76

Notes to Financial Statement for the year ended March 31, 2022

NOTE : 20

OTHER NON CURRENT LIABILITY

	Non-current	
	March 31, 2022	March 31, 2021
	₹ Million	₹ Million
Contractee advances	5,961.09	6,595.80
Deposits	178.92	160.51
Other liability	720.84	1,018.71
	6,860.85	7,775.02

NOTE : 21

DEFERRED REVENUE

	Non-current	
	March 31, 2022	March 31, 2021
	₹ Million	₹ Million
Deferred revenue	64.73	68.01
	64.73	68.01

NOTE : 22

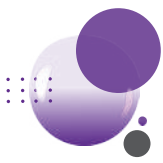
BORROWINGS

	Current	
	March 31, 2022	March 31, 2021
	₹ Million	₹ Million
I Secured loans		
Short term loans ¹		
- From bank	-	1,349.64
- From other	262.41	467.00
Loans repayable on demand		
- From bank ²	10,841.94	10,878.47
II Unsecured loans		
- From others	-	-
- From related parties ³	748.88	783.29
III Current maturities of long-term debt	2,149.53	357.03
	14,002.76	13,835.43

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% (P.Y. 11.60% - 12.75%) due for rollover in next financial year. Presently there is Nil outstanding in short term loan & 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.



Notes to Financial Statement for the year ended March 31, 2022

2 Loans repayable on demand

Includes cash credit and working capital demand loan from various banks. These loans have been given against first *pari passu* hypothecation of stocks, spare parts, book debts, work in progress & guarantees except specifically charged to any other lenders; secured against pledge of 93,50,927 shares (P.Y. 93,50,927 shares) of the Company held by Promoters and Mr. Pravin Patel 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 2021 up to March 31, 2022.

Terms of repayment:

Cash credit- yearly renewal, rate of interest ranges between 10%-12.85% p.a. (P.Y. 10%-12.85% p.a.)

3 Unsecured loan

It includes short term inter corporate payables to related parties of ₹ 748.88 million (P.Y. ₹ 783.29 million).

NOTE : 23

TRADE PAYABLES

	Current	
	March 31, 2022	March 31, 2021
	₹ Million	₹ Million
Total outstanding dues of micro enterprises and small enterprises 1	35.88	31.97
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,589.60	4,152.14
Piece rate wages payable	3,532.93	3,403.08
Provisions - others	4,402.21	3,638.32
	12,560.62	11,225.50

*Ageing of trade payable is given under note no 58

1 The Company has ₹ 35.88 million (P.Y. ₹ 31.97 million) due to the suppliers under the micro small and medium enterprise development act, 2006, as at March 31, 2022. The principal amount due to suppliers under the Act is ₹ 20.80 million (P.Y. ₹ 20.66 million). The interest accrued and due to the suppliers on the above amount is ₹ 14.58 million (P.Y. ₹ 8.96 million). Payment made to the suppliers (other than interest) beyond appointed day during the year is ₹ 2.82 million (P.Y. ₹ 17.36 million). Interest paid to the suppliers under the Act is Nil (P.Y. Nil). Interest due and payable to the suppliers under the Act towards payments already made is ₹ 0.51 million (P.Y. ₹ 2.35 million). Interest accrued and remaining unpaid at the end of the accounting year is ₹ 15.09 million (P.Y. ₹ 11.31 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 ₹ 13.25 million (P.Y. ₹ 9.54 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.

Notes to Financial Statement for the year ended March 31, 2022

NOTE : 24

OTHER FINANCIAL LIABILITIES

	Current	
	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
Interest accrued and due on borrowings	30.96	91.11
Deposits	83.29	86.36
	114.25	177.47

NOTE : 25

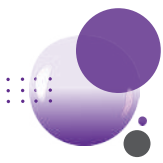
OTHER CURRENT LIABILITIES

	Current	
	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
(a) Other liabilities		
Contractee advances	4,752.78	3,182.15
Other payables		
Payable to employees	535.99	536.05
Other liabilities	523.61	683.71
(b) Balance in current account		
(i) With subsidiaries, associates	0.83	0.81
(ii) With joint ventures	571.47	394.00
	6,384.68	4,796.71

NOTE : 26

REVENUE FROM OPERATIONS

	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
(a) Revenue/turnover	29,213.72	15,800.57
Add: increase/(decrease) in work in progress	(81.54)	1,317.71
Sale of goods	1.10	-
Total turnover	29,133.28	17,118.28
(b) Other operating income		
Lease and service charges	0.96	0.54
Share of profit from partnership firm	-	39.41
Miscellaneous operating income	1,143.67	33.02
	30,277.91	17,191.25



Notes to Financial Statement for the year ended March 31, 2022

Disaggregation of revenue on the basis of	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
Primary geographical market wise		
Domestic	27,856.87	14,781.48
International	2,421.04	2,409.77
Major product/service lines wise		
EPC	30,276.85	17,190.55
Real Estate	1.06	0.70
Timing of revenue recognition wise		
At a point in time	1,146.79	73.67
Over period of time	29,131.12	17,117.58

NOTE : 27 OTHER INCOME

	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
Gain on sale of assets (net)	5.23	4.79
Other non operating income	232.51	268.51
Interest income	881.14	944.93
Net gain on foreign currency translation	72.39	-
Excess credit written back	155.26	214.84
	1,346.53	1,433.07

NOTE : 28 COST OF CONSTRUCTION

	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
Stores, embedded goods and spare parts *		
Inventories at the beginning of the year	1,662.01	1,423.43
Add : purchase (net)	8,300.41	3,323.35
	9,962.42	4,746.78
Less : inventories at the end of the year	2,135.28	1,662.01
Consumption of stores and spares	7,827.14	3,084.77
Piece rate expenses (net)	10,838.01	8,144.26
Repairs to machinery	50.63	43.53
Transportation, hire etc.	1,302.89	604.04
Power, electricity and water charges	524.72	420.22
Project development cost	0.05	0.02
Technical consultancy fees	202.83	176.31
Other construction costs	1,084.62	154.88
	21,830.89	12,628.03

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

Notes to Financial Statement for the year ended March 31, 2022

NOTE : 29

EMPLOYEE BENEFITS EXPENSE

	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
Salaries, wages and bonus	2,240.45	1,616.90
Contribution to provident and other funds (refer note no 33)	101.50	172.28
Employee stock option (ESOP) (refer note no 34)	0.44	1.08
Staff welfare expenses	158.96	85.78
	2,501.35	1,876.04

NOTE : 30

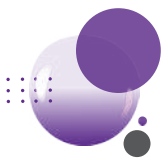
FINANCE COSTS

	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
Interest expense	3,173.76	3,002.54
Other borrowing costs	759.86	691.29
	3,933.62	3,693.83

NOTE : 31

OTHER EXPENSES

	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
Other administrative costs		
Rent	67.84	49.03
Insurance	142.09	112.10
Rates and taxes	202.10	92.79
Advertisement and selling expenses	3.23	0.73
Travelling and conveyance	49.06	19.56
Directors fees	1.38	1.40
Auditor's remuneration		
Audit fees	4.10	4.10
Limited Review	0.80	0.80
Certification	0.17	0.92
	5.07	5.82
Communication expenses	14.45	12.71
Printing and stationery	15.12	10.26
Legal and consultancy charges	362.17	244.31
Loss on sale of asset discarded	23.91	0.01
Irrecoverable debts written off / provided	114.81	199.34
Net loss on foreign currency translation	-	59.34
Other expenses	364.41	191.31
	1,365.64	998.69



Notes to Financial Statement for the year ended March 31, 2022

NOTE : 32

EXCEPTIONAL ITEMS :

	March 31, 2022 ₹ Million	March 31, 2021 ₹ Million
Reversal of receivables on account of assessment ^a	-	152.23
Provision for impairment on investments / loan and advances ^b	458.44	429.11
Provision for doubtful debts ^b	5.11	-
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)
	463.55	939.13

- a) On account of closing of tax assessment in previous year, assets which is no more recoverable has been expensed out.
- b) Provision made for impairment based on indication of diminution in value of advance to a firm/ subsidiaries.
- c) Considering the recoverability 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 previous year, the Company had entered one time settlement (OTS) agreement with lenders for their outstanding debts and interests and resultant gain is accounted as exceptional item.

33 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, 2021 and March 31, 2022:

(i) Expenses recognised in the statement of profit and loss :

	₹ Million	
	Gratuity (Funded)	Gratuity (Non - funded)
Current service cost	20.82	5.95
	(17.66)	(6.31)
Interest cost (net)	6.45	1.50
	(4.63)	(1.08)

Notes to Financial Statement for the year ended March 31, 2022

	Gratuity (Funded)	Gratuity (Non - funded)
Net actuarial (gain) / losses	3.92	(4.29)
	(57.54)	(0.10)
Total expenses recognized in the statement of profit and loss	31.19	3.16
	(79.83)	(7.49)

(ii) Reconciliation of the present value of defined benefit obligation and the fair value of assets (amount recognised in balance sheet):

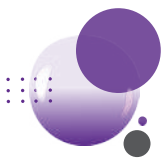
	Gratuity (Funded)	Gratuity (Non - funded)
Present value of funded obligation as at the year end	(163.48)	(24.84)
	(-191.76)	(-23.35)
Fair value of plan assets as at the year end	37.43	-
	(44.43)	-
Funded liability recognized in the balance sheet	(126.05)	(24.84)
	(-147.33)	(-23.35)

(iii) Changes in defined benefit obligation :

	Gratuity (Funded)	Gratuity (Non - funded)
Liability at the beginning of the year	191.76	23.35
	(118.80)	(15.86)
Interest cost	9.47	1.50
	(8.15)	(1.08)
Current service cost	20.82	5.95
	(17.66)	(6.31)
Benefit paid	(9.98)	(0.30)
	(-10.35)	-
Actuarial (gains) / losses on obligations	(48.60)	(5.65)
	(57.50)	(0.10)
Liability at the end of the year	163.47	24.85
	(191.76)	(23.35)

(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	44.43	-
	(51.30)	-
Expected return on plan assets	3.02	-
	(3.52)	-



Notes to Financial Statement for the year ended March 31, 2022

	Gratuity (Funded)	Gratuity (Non - funded)
Contributions by the employer	-	-
	-	-
Benefit paid	(9.98)	-
	(-10.35)	-
Actuarial gain on plan assets	(0.05)	-
	(-0.04)	-
Fair value of plan assets at the end of the year	37.43	-
	(44.43)	-
Total actuarial gain to be recognized	(48.55)	-
	(57.54)	-

(v) Actual return on plan assets

	Gratuity (Funded)	Gratuity (Non - funded)
Expected return on plan assets	3.02	-
	(3.52)	-
Actuarial gain on plan assets	(0.05)	-
	(-0.04)	-
Actuarial gain on plan assets	2.97	-
	(3.48)	-

(vi) The Company expects to contribute ₹ 81.05 million (P.Y. ₹ 55.04 million) to gratuity funded plan in FY 2022-23.

(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	7.23%	7.25%
	(6.80%)	(6.80%)
Rate of increase in compensation levels	5.50%	5.50%
	(5.00%)	(5.00%)
Expected rate of return on plan assets	7.23%	-
	(6.80%)	-
Attrition rate	4.00%	4.00%
	(4.00%)	(4.00%)
Average Age of retirement (years)	60	60
	(60)	(58)

Notes to Financial Statement for the year ended March 31, 2022

(ix) Experience adjustments

	Gratuity (Funded)	Gratuity (Non - funded)
On plan obligation (gain)/loss	3.44	(4.44)
	(-53.10)	(0.60)
On plan asset (loss)/gain	(0.05)	-
	(0.04)	-

(x) Maturity profile of defined benefit obligation

	Gratuity (Funded)	Gratuity (Non - funded)
1 years	29.09	1.17
	(35.55)	(1.00)
Between 2 to 5 years	42.75	5.53
	(52.02)	(5.17)
Beyond 5 years	242.86	64.82
	(254.78)	(52.69)
The weighted average duration of the defined benefit plan obligation at the end of the reporting period (years)	9	13
	(8)	(13)

(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. 29 as contribution to provident and other funds ₹ 101.50 million (P.Y. ₹ 172.28 million)

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 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



Notes to Financial Statement for the year ended March 31, 2022

b) Movement of option granted

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	Nos.	Nos.
Outstanding at the beginning of the year	25,000	150,000
Grant during the year	-	-
Exercised during the year	25,000	75,000
Cancelled during the year	-	-
Lapsed during the year	-	50,000
Outstanding at the end of the year	-	25,000
Exercisable at the end of the year	-	-
Weighted average life of options	N.A.	1 year

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

35 LEASE

Disclosure as per IND AS 116

Amount recognised under statement of profit and loss

Particulars	2021-22	2020-21
	₹ Million	₹ Million
Depreciation	73.32	138.72
Interest on lease liability	37.56	49.98
Expenses related to short term leases	67.85	49.03
Total expenses	178.73	237.73

Notes to Financial Statement for the year ended March 31, 2022

36 EARNING PER SHARE (EPS)

	2022 ₹ Million	2021 ₹ 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	525.06	(1,383.98)
Weighted average number of equity shares for basic EPS (in no.)	475,229,365	428,596,117
Add: weighted average potential equity shares		
- On issue of optionally convertible debentures*	211,906,025	390,527,787
Weighted average number of equity shares for diluted EPS (in no.)	687,135,390	819,123,904
Earning per share (basic) ₹	1.11	(3.23)
Earning per share (Diluted) ₹	1.11	(3.23)

*The above current year potential ordinary shares are anti-dilutive and are therefore excluded 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 subsidiaries

- | | |
|---|---|
| 1. Patel Energy Resources Ltd. | 15. Hampus Infrastructure Pvt. Ltd. |
| 2. Michigan Engineers Pvt. Ltd. | 16. Patel Engineering Infrastructure Ltd. |
| 3. Shreeanant Construction Pvt. Ltd. | 17. Patel Engineering (Mauritius) Ltd. |
| 4. Energy Design Pvt. Ltd. | 18. Patel Engineering Singapore Pte. Ltd. |
| 5. Patel Lands Ltd. | 19. Patel Engineering Inc. |
| 6. Patel Patron Pvt. Ltd. | 20. Zeus Minerals Trading Pvt. Ltd. |
| 7. Patel Engineers Pvt. Ltd. | 21. Patel KNR Infrastructure Ltd |
| 8. Pandora Infra Pvt. Ltd. | 22. Apollo Buildwell Pvt. Ltd. (Till February 16, 2022) |
| 9. Shashvat Land Projects Pvt. Ltd. | 23. Arsen Infra Pvt. Ltd. |
| 10. Patel Engineering Lanka Pvt. Ltd | 24. Hera Realcon Pvt. Ltd. |
| 11. Vismaya Constructions Pvt. Ltd. | 25. Lucina Realtors Pvt. Ltd. (Till July 19, 2021) |
| 12. Bhooma Realities Pvt. Ltd. | 26. PBSR Developers Pvt. Ltd. |
| 13. Friends Nirman Pvt. Ltd. | 27. Waterfront Developers Ltd. |
| 14. Patel Concrete and Quarries Pvt. Ltd. | |

Subsidiaries of Waterfront Developers Ltd.

Les Salines Development Ltd.

Subsidiaries of Les Salines Development Ltd.

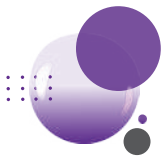
La Bourgade Development Ltd.

Ville Magnifique Development Ltd.

Sur la Plage Development Ltd.

Subsidiaries of Patel Engineers Pvt. Ltd.

Phedra Projects Pvt. Ltd.



Notes to Financial Statement for the year ended March 31, 2022

Subsidiaries of Arsen Infra Pvt. Ltd.

Lucina Realtors Pvt. Ltd. (from July 19, 2021)

Subsidiaries of Patel Energy Resources Ltd.

- | | |
|--------------------------------------|---|
| 1. Patel Hydro Power Pvt. Ltd. | 6. Patel Thermal Energy Pvt. Ltd. |
| 2. PEL Power Ltd. | 7. PEL Port Pvt. Ltd. |
| 3. Patel Energy Assignment Pvt. Ltd. | 8. Patel Energy Ltd. |
| 4. Patel Energy Projects Pvt. Ltd. | 9. Jayshe Gas Power Pvt. Ltd. |
| 5. Patel Energy Operations Pvt. Ltd. | 10. Naulo Nepal Hydro Electric Pvt. Ltd. (Till February 22, 2022) |

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. (Stuck off w.e.f December 7, 2020)
4. PT Patel Surya Jaya (W.e.f. December 7, 2020, earlier was subsidiary of Patel Param Energy Pte Ltd.)
5. Patel Param Energy Pte Ltd. (stuck off w.e.f. December 7, 2020)
6. Patel Param Natural Resources Pte Ltd. (Stuck off w.e.f December 7, 2020)
7. PT Patel Surya Minerals (W.e.f. December 7, 2020, earlier was subsidiary of Patel Param Minerals Pte Ltd.)
8. PT Surpat Geo Minerals (W.e.f. December 7, 2020, earlier was subsidiary of Patel Param Natural Resources Pte Ltd.)

Subsidiary of Patel Surya (Singapore) Pte. Ltd.

PT Surya Geo Minerals

Subsidiary of PT PEL Minerals Resources

PT Patel Engineering Indonesia

Subsidiaries of Patel Engineering Inc

- | | |
|-------------------|-------------------------|
| 1. ASI Global LLC | 2. ASI Constructors Inc |
|-------------------|-------------------------|

Subsidiary of Patel Engineering (Mauritius) Ltd.

Patel Mining (Mauritius) Ltd.

Subsidiaries of Patel Mining (Mauritius) Ltd.

- | | |
|----------------------------------|----------------------------------|
| 1. Enrich Mining Vision Lda | 7. Metalline Mine Works,Lda |
| 2. Patel Mining Priviledge, Lda | 8. Patel Mining Assignments, Lda |
| 3. Patel Infrastructure, Lda | 9. Chivarro Mines Mozambique,Lda |
| 4. Trend Mining Projects, Lda | 10. Fortune Mines Concession,Lda |
| 5. Accord Mines Venture,Lda | 11. Omini Mines Enterprises,Lda |
| 6. Netcore Mining Operations,Lda | 12. Quest Mining Activities, Lda |

Notes to Financial Statement for the year ended March 31, 2022

Direct Associates:

- | | |
|---|--|
| 1. ACP Tollways Pvt. Ltd. | 4. Bellona Estate Developers Ltd. (BEDP) |
| 2. Raichur Sholapur Transmission Co. Pvt. Ltd. | 5. Hitodi Infrastructure Pvt. Ltd. (Formally known as Hitodi Infrastructure Ltd) |
| 3. PAN Realtors Pvt. Ltd. (Till March 29, 2021) | |

Associate of Patel Engineering Infrastructure Ltd.

- Patel KNR Heavy Infrastructure Ltd.

Associate of Lucina Realtor Pvt. Ltd.

- PAN Realtors Pvt. Ltd. (w.e.f. March 29, 2021)

Joint Ventures: Refer note (43)

Partnership

- | | |
|-----------------------|---------------------|
| 1. AHCL PEL (Retired) | 2. Patel Advance JV |
|-----------------------|---------------------|

Others

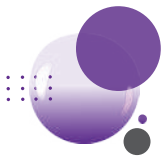
- Raahitya Constructions Pvt. Ltd.
- Praham India LLP

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.

Particular	₹ Million			
	Subsidiary companies		Associates/ joint ventures / partnership/others	
	2021-22	2020-21	2021-22	2020-21
- Investment in equity / preference shares	0.69	-	-	-
- Miscellaneous receipts	-	-	4.73	5.16
- Loans/advances given & current account movement	183.45	299.86	221.29	60.55
- Loans / advances recovered / adjusted	6,711.05	125.08	255.56	58.65
- Corporate guarantee outstanding as at the end of the year	864.94	1,525.63	4,064.73	5,699.03
- Bank guarantee outstanding as at the end of the year	202.11	202.11	249.42	249.42
- Outstanding balance included in current/ non current assets	5,145.97	12,880.97	925.41	759.48
- Outstanding balance included in current / non current liabilities	53.95	65.16	1,077.08	1,047.35
- Reimbursement of expenses from	-	-	4.04	13.41



Notes to Financial Statement

for the year ended March 31, 2022

₹ Million

Particular	Subsidiary companies		Associates/ joint ventures / partnership/others	
	2021-22	2020-21	2021-22	2020-21
- Rent paid	3.68	3.68	-	-
- Interest income	316.94	395.05	4.30	6.87
- Sundry balances written off	-	150.74	0.47	3.00
- Sundry balance written back	-	-	-	0.88
- Provision for doubtful debt	-	-	5.11	-
- Refund of mobilisation advance	4.60	842.15	-	-
- Sale of investment	-	4.35	-	-
- Land transferred to Company	7,846.41	-	-	-
- Other operating income	101.51	-	67.41	-
- Interest expenses	-	-	-	65.60
- Provision for impairment of investment	0.10	301.21	155.59	-
- Provision for impairment of loans and advances	298.96	127.91	14.63	-
- Sale of asset	-	-	0.06	0.89
- Repayment of loan	-	30.00	-	-
- Loan taken	-	-	250.00	-
- Conversion of OCPS into shares	-	-	-	166.69
- Purchase of goods	-	-	12.86	-
- Sale of service	-	-	131.79	-
- Sale of materials	-	-	0.13	-

D. Disclosures of material transactions with related parties with subsidiaries, associate companies, joint operations, partnership and others referred to in item (A) above.

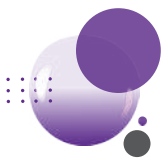
₹ Million

Particular	Name of the Company	2021-22	2020-21
- Investment in equity / preference shares	Patel Engineering Lanka Pvt. Ltd.	0.69	-
- Miscellaneous receipts	NEC PEL JV	1.41	2.00
	Patel-Michigan JV	1.23	2.35
	Patel SEW JV	2.09	0.81
- Loans/advances given & current account movement	PBSR Developers Pvt. Ltd.	142.33	264.91
	Patel SEW JV	56.22	59.64
	Raichur Solapur Transmission Co. Pvt. Ltd.	0.00	0.00
	Patel Advance JV	160.91	-
- Loan/ advances recovered / adjusted	Patel Energy Resources Ltd.	4888.28	0.00
	PBSR Developers Pvt. Ltd.	-	113.87
	Patel Energy Ltd.	780.01	-
	Patel SEW JV	193.62	32.94

Notes to Financial Statement for the year ended March 31, 2022

₹ Million

Particular	Name of the Company	2021-22	2020-21
	Patel Michigan JV	36.67	14.89
- Reimbursement of expenses from	Hitodi Infrastructure Pvt. Ltd.	3.80	9.39
	Patel Michigan JV	-	2.24
	Patel KNR JV	0.11	-
	Patel SEW JV	0.13	1.08
- Rent paid	PEL Power Ltd.	3.68	3.68
- Interest income	Waterfront developers Ltd.	37.12	71.95
	Shashvat Land Projects Pvt. Ltd.	60.26	54.56
	Pandora Infra Pvt. Ltd.	85.48	76.37
	Patel Engineering Infrastructure Ltd.	97.84	85.60
	Patel Michigan JV	-	1.18
	Raichur Solapur Transmission Co. Pvt. Ltd.	4.26	4.96
	NEC PEL JV	-	0.26
	Patel SEW JV	0.04	0.47
- Sundry balances written off	Bellona Estate Developers Ltd.	0.47	2.28
	Dirang Energy Pvt. Ltd.	-	1.36
	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
- Provision for doubtful debts	Raichur Solapur Transmission Co. Pvt. Ltd.	5.11	-
- Refund of mobilisation advance	Dirang Energy Pvt. Ltd.	4.60	842.15
- Sale of investment	Lucina Realtors Pvt. Ltd.	-	4.35
- Land transferred to Company	PEL Power Ltd.	7,091.87	-
- Other operating income	Hitodi Infrastructure Pvt. Ltd.	34.50	-
	Patel Ghodke Joint venture	20.28	-
	VPRPL-PEL JV	12.63	-
	Patel Patron Pvt. Ltd.	17.62	-
	Phedra Projects Pvt. Ltd.	81.96	-
- Interest expenses	Hitodi Infrastructure Pvt. Ltd.	-	65.60
- Provision for impairment of investment	Raichur Solapur Transmission Co. Pvt. Ltd.	155.59	-
	Hampus Infrastructure Pvt. Ltd.	0.10	-
	Patel Engineering Inc.	-	285.96
- Provision for impairment of loans and advances	Patel Lands Ltd.	39.30	-
	Patel Concrete & Quarries Pvt. Ltd.	86.01	0.01



Notes to Financial Statement for the year ended March 31, 2022

₹ Million

Particular	Name of the Company	2021-22	2020-21
	Phedra Projects Pvt. Ltd.	80.06	0.10
	Bhooma Realities Pvt. Ltd.	-	110.78
	Patel Engineering Lanka Pvt. Ltd.	-	16.92
	Raichur Solapur Transmission Co. Pvt. Ltd.	14.63	
	Zeus Minerals Trading Pvt. Ltd.	99.25	
- Sale of assets	Patel Sew JV	0.06	0.89
- Repayment of loan	Michigan Engineers Pvt. Ltd.	-	30.00
- Loan taken	Raahitya Constructions Pvt. Ltd.	250.00	-
- Conversion of OCPS into shares	Praham India LLP	-	166.69
- Purchase of goods	Patel Sew JV	12.86	-
- Sale of service	Patel Sew JV	131.79	-
- Sale of materials	Patel Sew JV	0.13	-

E. Details of transactions relating to persons referred in item (B) above.

₹ Million

Particular	2021-22	2020-21
Managerial remuneration	61.75	64.48
Contribution to provident fund	3.61	3.54
ESOP	0.44	0.33
Outstanding balance payable	16.80	35.24
Outstanding balance receivable	4.05	4.05

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 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, 2022		
	Business segments		
	EPC	Real estate	Total
Segment revenue	30,276.85	1.06	30,277.91
Segment results	1,128.40	183.10	1,311.54
Segment assets	74,363.12	5,002.30	79,365.42
Segment liabilities	51,696.10	2,119.10	53,815.21
Addition to fixed assets	8,779.93	-	8,779.93
Segment depreciation	681.34	0.06	681.40

Notes to Financial Statement for the year ended March 31, 2022

Particulars	₹ Million		
	As at March 31, 2021		
	Business segments		
	EPC	Real estate	Total
Segment revenue	17,190.55	0.70	17,191.25
Segment results	(1,409.93)	198.60	(1,211.33)
Segment assets	67,979.32	6,707.50	74,686.82
Segment liabilities	48,689.62	1,073.70	49,763.32
Addition to fixed assets	1,299.51	-	1,299.51
Segment depreciation	638.98	0.08	639.06

Geographical segment :

Particulars	₹ Million		
	As at March 31, 2022		
	Within India	Outside India	Total
Revenue	27,856.87	2,421.04	30,277.91
Non current assets	35,069.30	634.04	35,703.34

Particulars	₹ Million		
	As at March 31, 2021		
	Within India	Outside India	Total
Revenue	14,781.45	2,409.80	17,191.25
Non current assets	30,777.58	2,163.50	32,941.08

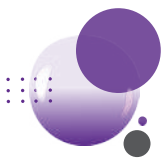
The following table gives details in respect of contract revenues generated from the top customer and top 5 customers for the year ended:

Particulars	₹ Million	
	As at March 31, 2022	As at March 31, 2021
	Revenue from top customer	5,125.47
Revenue from top five customers	15,584.99	8,957.21

39 The Company is continuously monitoring the situation of COVID - 19 and its impact on business and various stakeholders. 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.

40 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 ₹ 6.82 million (P.Y. ₹ 21.01 million) during the financial year on corporate social responsibility (CSR). Against current year requirement, the Company has incurred an amount of ₹ 17.96 million (P.Y. 21.01 million). During the year, the Company has also incurred an amount of Nil (P.Y. ₹ 77.85 million) against the opening unspent balance and unspent / (excess) CSR amount as on March 31, 2022 is ₹ (11.14) million (P.Y. Nil).



Notes to Financial Statement for the year ended March 31, 2022

B) Break up of amount spent during the year

Particulars	In cash	Yet to be paid in cash	Total
As on March 31, 2022			
i) Construction/acquisition of any assets	-	-	-
ii) Purposes other than (i) above	17.96	-	17.96
Total	17.96	-	17.96
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

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, 2022	As at March 31, 2021
Opening provision	-	-
Addition during the year	17.96	98.86
Utilised during the year	17.96	98.86
Closing provision	-	-

E) Unspent / (Excess) Amount

Particulars	As at March 31, 2022	As at March 31, 2021
Opening unspent / (excess) balance	-	72.34
Amount deposited in specified fund of Sch. VII within 6 months	-	-
Amount required to be spent during the year	6.82	21.01
Amount spent during the year	17.96	98.86
Amount which is not carried forward to next year	-	(5.51)
Closing unspent / (excess) balance	(11.14)	-

41 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.

42 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.

Notes to Financial Statement for the year ended March 31, 2022

- 43 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 J.V.	KNR Constructions Ltd.	49%
PATEL –KNR J.V.	KNR Constructions Ltd.	50%
Patel – V Arks - Precision	V Arks Engineers Pvt. Ltd.	60%
PATEL – SOMA J.V	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	Nvayuga 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%
PATEL -CIVET-CHAITRA Micro(KA) JV	M/s Civet Projects Pvt. Ltd. & M/s Chaitra Civil Venture LLP	51%
Ceigall - PEL (JV)	M/s Ceigall India Limited	40%
VPRPL - PEL JV	M/s Vishnu Prakash R Punglia Limited	51%
Mokhabardi Micro Irrigation Project JV	M/s Civet Projects Pvt. Ltd. & M/s Kothari Agritech Pvt. Ltd.	51%
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%

- 44 Arbitration awards received in favour of the Company amounting to ₹ 1413.63 million (P.Y. Nil) is accounted for as construction Receipts.



Notes to Financial Statement for the year ended March 31, 2022

45 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, 2022		March 31, 2021	
	Amount in foreign currency	Amount in functional currency	Amount in foreign currency	Amount in functional currency
Assets				
Trade receivable				
EURO	0.38	31.54	0.34	29.09
NPR	219.30	137.06	181.27	113.29
USD	0.59	44.97	0.57	41.88
Security deposit				
EURO	0.03	2.87	0.03	2.94
JPY	36.22	22.47	36.22	23.98
NPR	78.11	48.82	118.19	73.87
USD	0.00	0.06	0.00	0.11
Inventories				
NPR	2,408.95	1,505.59	1,517.13	948.21
Interest accrued				
EURO	0.01	0.56	0.01	0.56
NPR	2.28	1.42	1.55	0.97
Cash and bank balance				
LKR	0.04	0.01	0.04	0.02
MUR	0.00	0.01	0.00	0.01
NPR	365.56	228.47	37.16	23.23
USD	-	-	-	-
Advance to contractor / suppliers				
NPR	1,871.01	1,169.38	482.12	301.33
Loan and interest thereon to group companies				
LKR	-	-	-	-
MUR	41.60	70.09	39.57	71.50
NPR	5.61	3.51	5.61	3.51
USD	20.57	1,554.64	19.89	1,457.68
Fixed assets				
NPR	920.19	575.12	1,086.75	679.22
Other advance				
MUR	2.85	4.80	2.85	5.15
NPR	225.10	140.69	196.03	122.52
Liability				
Security deposit				
NPR	(32.13)	(20.08)	(32.13)	(20.08)
Advance from contractor				
EURO	(5.33)	(426.83)	(5.33)	(426.83)
NPR	(3,086.75)	(1,929.22)	(2,979.24)	(1,862.02)
USD	(0.07)	(4.55)	(0.07)	(4.55)



Notes to Financial Statement for the year ended March 31, 2022

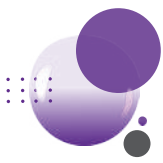
Particulars	Foreign currency exposure outstanding at ₹ Million			
	March 31, 2022		March 31, 2021	
	Amount in foreign currency	Amount in functional currency	Amount in foreign currency	Amount in functional currency
Trade payable				
EURO	(1.85)	(153.51)	(1.44)	(120.64)
NPR	(2,088.71)	(1,305.44)	(1,625.05)	(1,015.66)
USD	(1.78)	(134.18)	(3.34)	(244.90)
Other liability				
NPR	(152.69)	(95.43)	(227.55)	(142.22)
USD	(0.03)	(2.42)	(0.03)	(2.35)

46 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 its 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 (P.Y. ₹ 29.38 million) and appropriate disclosure for contingent liabilities is given.

47 The Company has granted loans and advances amounting to ₹1292.11 million (P.Y. ₹ 1224.70 million) till March 31, 2022 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 a 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 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 Company did not receive any reply to this letter. The Parent Company i.e., 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.

48 Contingent liabilities

- Commitment for capital expenditure is ₹ 825.40 million (P.Y. ₹ 715.14 million), advance paid ₹ 83.07 million (P.Y. ₹ 111.25 million). The Company is under commitment to construct specific area for land owner related to a project.
- 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 ₹ 18,032.10 million (P.Y. ₹ 19,154.26 million) (including customs ₹ 42.88 million (P.Y. ₹ 42.88 million)). Corporate guarantees / letter of credit on behalf of subsidiaries and others is ₹ 4929.67 million (P.Y. ₹ 7224.66 million). Net off share of JV partner & provisions already considered in books
- Client has claimed an amount of Nil (P.Y. ₹ 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.



Notes to Financial Statement for the year ended March 31, 2022

- (d) Service tax and GST liability that may arise on matters in appeal ₹ 1,339.85 million (P.Y. ₹ 1,339.85 million) and advance paid Nil (P.Y. Nil). Out of the above, ₹ 760.19 million (P.Y. ₹ 760.19 million) is contractually recoverable from the Clients.
- (e) Sales tax ₹ 72.07 million (P.Y. ₹ 74.93 million) (advance paid Nil (P.Y. ₹ 1.54 million)), cess ₹ 122.64 million (P.Y. ₹ 122.64million), custom duty ₹ 16.49 million (P.Y. ₹ 16.49 million) (advance paid ₹ 8.46 million (P.Y. ₹ 8.46 million)).
- (f) Income tax liability that may arise on matters in appeal ₹ 3,045.23 million (P.Y. ₹ 2,109.19 million).
- (g) Provident fund liability that may arise on matter in appeal ₹ 14.35 million (P.Y. ₹ 14.35 million) and advance paid ₹ 14.35 million (P.Y. 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 to its lenders.
- (k) Trade receivables to the extent of Nil (P.Y. ₹ 29.99 million) have been discounted with bank on recourse basis.
- (l) On settlement with the vendor, Company has given flats of ₹ 50.00 million (P.Y. ₹ 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.

49 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:

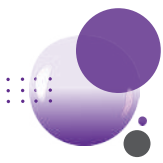
Name of subsidiaries / associates		₹ Million			
		As at March 31, 2022	As at March 31, 2021	Maximum amount outstanding (2021 – 22)	Maximum amount outstanding (2020 – 21)
Subsidiaries					
1	Michigan Engineers Pvt. Ltd.	13.55	71.77	13.55	71.77
2	Patel Patron Pvt. Ltd.	(0.00)	89.86	100.97	89.86
3	PEL Power Ltd.	0.00	1,071.19	1,080.23	1,073.12
4	Patel Energy Ltd.	-	775.70	776.96	775.70
5	Patel Engineering (Mauritius) Ltd.	383.43	360.82	383.43	360.82
6	Patel Engineering Infrastructure Ltd.	796.87	698.70	796.87	698.70
7	Phedra Projects Pvt. Ltd.	98.28	17.88	98.28	17.88
8	Vismaya Constructions Pvt. Ltd.	(0.00)	64.80	71.74	64.80
9	Shashvat Land Projects Pvt. Ltd.	180.64	434.42	496.32	434.42
10	Bhooma Realties Pvt. Ltd.	224.29	447.19	447.34	494.31
11	Pandora Infra Pvt. Ltd.	(0.00)	622.40	688.25	622.40
12	Patel Eng. Singapore Pte. Ltd.	880.80	854.11	880.80	877.32
13	Dirang Energy Pvt. Ltd.	-	-	4.03	0.83
14	Patel Energy Resources Ltd.	-	4,883.99	4,988.53	5,053.48
15	Energy Design Pvt. Ltd.	71.29	71.60	71.60	74.10
16	PT Patel Surya Minerals	11.65	11.29	11.65	11.60

Notes to Financial Statement for the year ended March 31, 2022

Name of subsidiaries / associates	₹ Million			
	As at March 31, 2022	As at March 31, 2021	Maximum amount outstanding (2021 – 22)	Maximum amount outstanding (2020 – 21)
17 Patel Lands Ltd.	62.11	62.02	68.58	62.02
18 Patel Hydro Power Pvt. Ltd.	29.76	27.33	29.76	27.33
19 Patel Engineering Lanka Pvt. Ltd.	10.65	15.24	15.42	17.37
20 Patel Engineers Pvt. Ltd.	4.62	3.96	4.62	3.96
21 Patel Concrete and Quarries Pvt. Ltd.	192.57	192.44	219.46	192.44
22 Zeus Minerals Trading Pvt. Ltd.	187.30	187.00	206.80	187.00
23 Naulo Nepal Hydroelectric Pvt. Ltd.	3.51	3.51	3.51	3.51
24 Shreeanant Constructions Pvt. Ltd.	87.18	86.03	87.18	86.03
25 Apollo Buildwell Pvt. Ltd.	-	176.77	176.81	176.77
26 Arsen Infra Pvt. Ltd.	16.70	11.61	16.70	11.67
27 Hera Realcon Pvt. Ltd.	1.29	1.29	1.29	1.29
28 Lucina Realtors Pvt. Ltd.	-	-	-	0.01
29 PBSR Developers Pvt. Ltd.	530.88	412.79	542.81	629.01
30 Waterfront Developers Ltd.	1,292.11	1,224.70	1,292.11	1,224.70
31 PATEL-KNR Infrastructure Ltd.	0.26	0.25	1.77	8.62
32 Hampus Infrastructure Pvt. Ltd.	0.33	0.21	0.44	0.21
33 Friends Nirman Pvt. Ltd.	-	0.07	0.11	2.28
Associates				
34 Raichur Solapur Transmission Co. Pvt. Ltd.	44.70	40.43	46.09	40.43
35 PATEL-KNR Heavy Infrastructure Ltd.	25.01	25.01	25.01	103.50
36 Bellona Estate Developers Ltd.	-	-	0.26	1.62
Total	5,149.77	12,946.39	13,649.28	13,500.89

50 Category-wise classification of financial instruments

	₹ Million			
	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial assets measured at FVTPL				
Investment	5.14	5.52	-	-
Financial assets measured at amortised cost				
Investments	6,379.26	6,534.39	-	-
Trade receivables	4,680.29	3,060.04	3,826.20	3,358.89
Loans	3,572.16	10,733.06	917.09	1,926.68
Deferred finance cost	56.83	60.85	-	-
Other assets	1,788.46	1,229.29	121.95	116.67
Cash and cash equivalents	-	-	1,914.35	1,139.26
Other bank balances	-	-	-	-



Notes to Financial Statement for the year ended March 31, 2022

₹ Million

	Non-current		Current	
	As at	As at	As at	As at
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Financial liabilities measured at amortised cost				
Borrowings	5,904.31	5,351.95	14,002.76	13,835.43
Lease liabilities	184.32	270.84	105.92	27.25
Trade payables	5,771.30	4,779.24	12,560.62	11,225.50
Other financial liabilities	1,667.28	1,283.80	114.25	177.47

51 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, 2022		₹ Million		
Financial asset measured at FVTPL	Fair value as at March 31, 2022	Fair value hierarchy		
		Quoted prices in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
Investments	5.14	5.14	-	-

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	-	-

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.

52 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 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 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.

Notes to Financial Statement for the year ended March 31, 2022

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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
+50 basis point	(126.95)	(120.10)	(82.59)	(78.13)
-50 basis point	126.95	120.10	82.59	78.13

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.

The carrying amounts of the Company's foreign currency denominated monetary items are as follows:

₹ Million

Currency	Liabilities		Assets	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
EURO	580.34	575.85	34.97	60.97
JPY	-	-	22.47	23.98
LKR	-	-	0.01	0.02
MUR	-	-	74.90	76.65
NPR	3,603.09	3,155.20	4,062.98	2,381.35
USD	141.15	251.80	1,599.66	1,499.67

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. 45.



Notes to Financial Statement for the year ended March 31, 2022

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	As at	As at	As at
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
+5%	(27.27)	(25.74)	(17.74)	(16.75)
-5%	27.27	25.74	17.74	16.75

₹ Million

Change in USD rate	Effect on profit before tax		Effect on total equity	
	As at	As at	As at	As at
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
+5%	72.93	105.66	47.44	68.74
-5%	(72.93)	(105.66)	(47.44)	(68.74)

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	As at	As at	As at
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
+5%	0.26	0.28	0.17	0.18
-5%	(0.26)	(0.28)	(0.17)	(0.18)

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

Notes to Financial Statement for the year ended March 31, 2022

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, 2022				
Borrowings*	14,002.76	4,327.61	1,576.71	19,907.07
Lease liability	105.92	184.32		290.23
Trade payables	12,560.62	5,771.30	-	18,331.92
Other financial liability	114.25	1,036.56	630.72	1,781.53
At March 31, 2021				
Borrowings*	13,835.43	1,367.14	3,984.80	19,187.38
Lease liability	27.25	270.84		298.09
Trade payables	11,225.50	4,779.24	-	16,004.74
Other financial liability	177.47	149.57	1,134.22	1,461.26

*Borrowing which is less than 1 years includes the rollover nature credit facility like Cash credit, Working capital demand loan & Overdraft facility

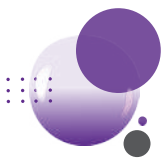
53 Capital management

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, 2022, 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	As at
	March 31, 2022	March 31, 2021
Total debt	19,907.07	19,187.38
Total equity	25,550.21	24,923.49
Total debt to total equity ratio (gearing ratio)	0.78	0.77

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.



Notes to Financial Statement for the year ended March 31, 2022

- 54** 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 49% (P.Y. 26%), Advance Construction Co. Pvt. Ltd. 3% (P.Y. 12.5%), Apollo Buildwell Pvt. Ltd. Nil (P.Y. 12.5%), Mr. Sandeep Das Nil (P.Y. 25%), Mascot Developers Pvt. Ltd. Nil (P.Y. 24%) & Broadcast Lawgical Networks (OPC) Pvt. Ltd. 48% (P.Y. Nil).
- 55** During the year Company has made a political contribution of Nil (P.Y. ₹ 30.00 million) to political parties.
- 56** 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.
- 57** During the previous year, the Board of the Company approved the scheme of merger of below 14 subsidiaries / step down subsidiaries with the Company with an appointed date of April 1, 2021. The petition for the same has been filed with the National Company Law Tribunal, Mumbai and Hyderabad and final order for approval of the scheme is awaited.
- | | |
|--|-------------------------------------|
| a) Patel Energy Resources Ltd. | b) PEL Power Ltd. |
| c) PEL Port Pvt. Ltd. | d) Patel Energy Projects Pvt. Ltd. |
| e) Patel Energy Assignment Pvt. Ltd. | f) Patel Energy Operation Pvt. Ltd. |
| g) Jayshe Gas Power Pvt. Ltd. | h) Patel Thermal Energy Pvt. Ltd. |
| i) Patel Hydro Power Pvt. Ltd. | j) Zeus Minerals Trading Pvt. Ltd. |
| k) Patel Concrete and Quarries Pvt. Ltd. | l) Patel Land Ltd. |
| m) Patel Engineers Pvt. Ltd. | n) Phedra Projects Pvt. Ltd. |

58 Ageing of trade payable

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Unbilled / not due	
As on March 31, 2022						
(i) MSME	2.90	12.90	5.39	0.11	14.58	35.88
(ii) Others	6,158.35	1,065.37	562.03	878.17	9,567.69	18,231.60
(iii) Disputed dues — MSME	-	-	-	-	-	-
(iv) Disputed dues - others	0.03	1.32	4.41	17.57	41.11	64.44
Total	6,161.28	1,079.59	571.83	895.84	9,623.38	18,331.93
As on March 31, 2021						
(i) MSME	13.89	5.97	0.02	-	12.09	31.97
(ii) Others	5,589.10	950.10	136.97	852.78	8,355.87	15,884.83
(iii) Disputed dues — MSME	-	-	-	-	-	-
(iv) Disputed dues - others	1.42	13.76	14.15	6.59	52.02	87.94
Total	5,604.41	969.84	151.14	859.37	8,419.98	16,004.74

59 Relationship with struck-off companies

There are no transactions with the Companies whose name are struck off under section 248 of The Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year ended March 31, 2022.

Notes to Financial Statement for the year ended March 31, 2022

60 Additional regulatory information required by schedule III to the Companies Act, 2013

- i) The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- ii) The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.
- iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the year.
- iv) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- v) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries to third parties
- vi) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

61 Key Financials Ratio

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Variance	Reason for variance
Current ratio	Total current assets	Total current liabilities	1.31	1.39	-5%	
Debt-equity ratio	Total debt	Total equity	0.78	0.77	1%	
Debt service coverage ratio	Earning before depreciation interest and taxes	Interest +current maturity of LTD payable in current year	1.27	0.54	136%	Due to robust Company performance and operation efficiencies, EBITDA, profit after tax has increased.
Return on equity ratio	Profit after tax	Total equity	2.06%	-5.55%	-137%	
Inventory turnover ratio*	NA	NA	NA	NA	NA	NA
Trade receivable turnover ratio	Revenue from operation	Average of opening and closing of current debtors	8.43	5.31	59%	Due to robust Company performance, turnover has increased.



Notes to Financial Statement for the year ended March 31, 2022

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Variance	Reason for variance
Trade payable turnover ratio	Cost of materials consumed	Average of opening and closing of current trade payable	1.78	0.75	138%	Due to improvement in working capital cycle, despite of increasing consumption in line of turnover, trade payable ratio has increased.
Net capital turnover ratio	Revenue from operation	Working capital (current assets - current liabilities)	2.90	1.48	96%	Due to robust Company performance turnover has increased.
Net profit ratio	Profit after tax	Revenue from operation	1.73%	-8.05%	-122%	Due to robust Company performance and operation efficiencies, EBITDA, profit after tax has increased.
Return on capital employed	Profit before interest, tax and exceptional items	Average capital employed (total equity + Total debt)	11.54%	5.63%	105%	Due to robust Company performance and operation efficiencies, EBITDA, profit after tax has increased.
Return on investment	Income during the year on investment	Weighted average of investment	13.33%	-	100%	Due to sale of investment in current year.

**Considering the nature of industry in which Company is operating, Inventory turnover ratio is not material.*

62 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

T. P. Ostwal
Partner
Membership No. 030848

Place : Mumbai
Date : May 23, 2022

For and on behalf of Board

Rupen Patel
Chairman &
Managing Director
DIN : 00029583

Sunil Sapre
Director
DIN : 05356483

Kavita Shirvaikar
Chief Financial Officer &
Director
DIN : 07737376

Shobha Shetty
Company Secretary
Mem. No.: F10047



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