



PATEL ENGINEERING LTD.

CIN: L99999MH1949PLC007039

August 14, 2023

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. 2022-2023

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 2022-23.

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

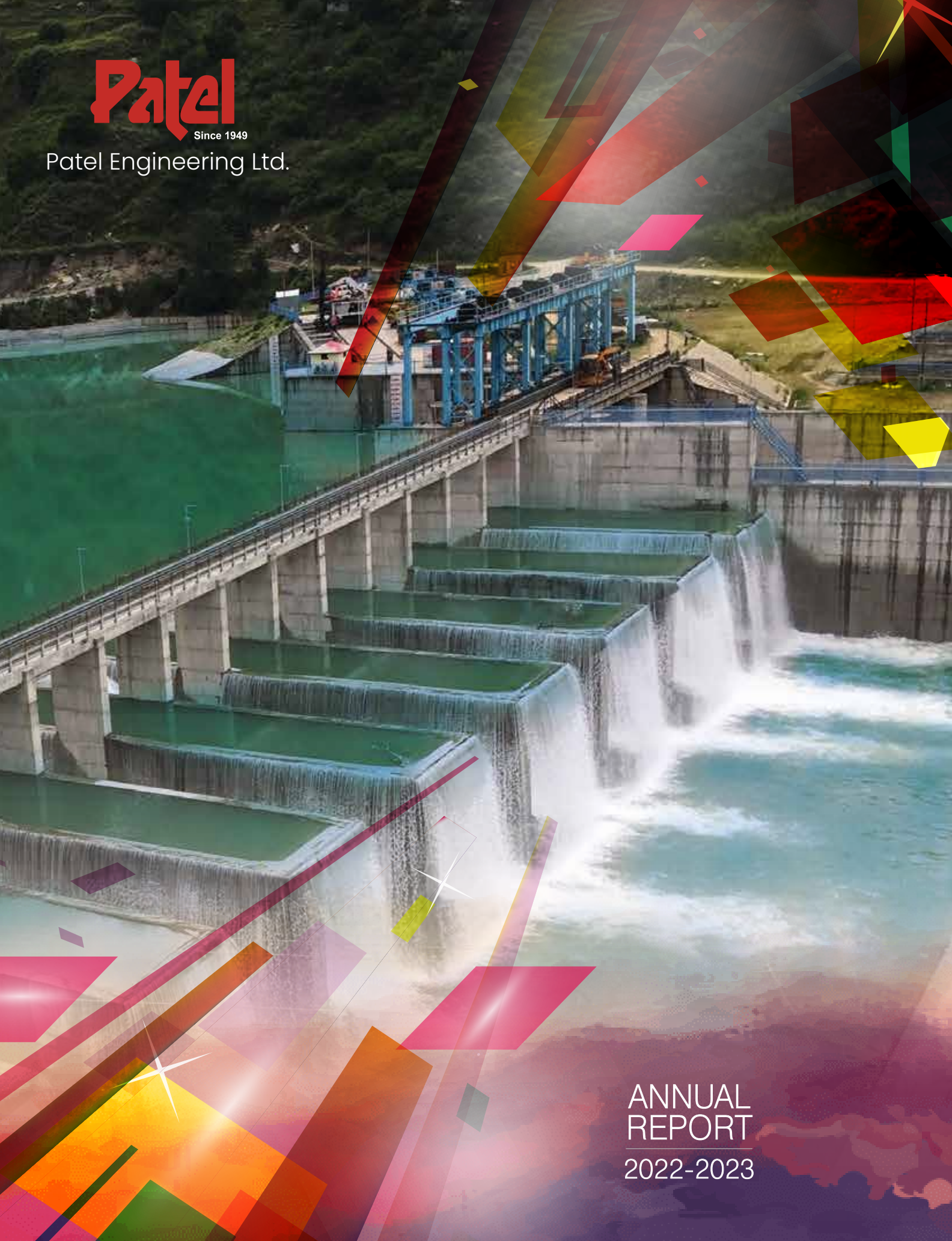
REGD. OFFICE:

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The logo for Patel Engineering Ltd. features the word "Patel" in a bold, red, sans-serif font. Below it, the text "Since 1949" is written in a smaller, black, sans-serif font.

Patel
Since 1949

Patel Engineering Ltd.



ANNUAL
REPORT
2022-2023

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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.

**DETERMINED
TO DELIVER**

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 Hydroelectric projects, irrigation projects as well as transportation and tunneling projects.

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 300 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



15 States
Current Domestic Presence



15,000+
MW Hydro Project



87+
Dams



300+ Kms
of Tunnels



5.5+ Lakhs
Acres Irrigated



1,200+Kms
Road



₹ 2,08,067 Mn
Order book (including L1)



4,400+
Employee Strength



0.61x
Debt to Equity



FY23
₹ 42,020 Mn
Revenue

FY23
₹ 6,249 Mn
Operating EBITDA

FY23
₹ 1,548 Mn
PAT



Year At A Glance

USBRL T-2 Project Completed in FY23

Brief About the Project

The Tunnel T-2 is an important infrastructure project in India's Rail Link. It is a double tube tunnel comprising a Main Tunnel of Udhampur-Srinagar-Baramula 5.1 km and an Escape Tunnel, both interconnected by Cross Passages at every 375m.

The project is crucial in connecting the Kashmir valley with the rest of India, providing all-weather connectivity and facilitating seamless transportation.

Major Achievement of The Project

Record progress of achieving arch lining of 775 mtr in a single month achieved in Main Tunnel Lining with 2 shutters of 12.5 mtr length.

ET – Ascent – 21st Global Edition and 6th India Edition – 2023 Awarded Best Infrastructure Company of the Year – Railway Development for this project

The project alignment traverses through young Himalaya's, which are steeply sloping.



Escape Tunnel



Main Tunnel

Year At A Glance

India's Infrastructure Marvels Built By Patel Engineering

Recognized by National Geographic for Engineering Ingenuity

Sela Pass Tunnel Project



Tunnel Above the Clouds

Sela Pass Tunnel, located above the clouds at altitude of 13,500 feet. The project involved the dedicated efforts of over 50 highly skilled engineers and a workforce of more than 800 workers. The tunnel consists of two sections: T1, an Escape Tunnel spanning 993 meters, and T2, the Main Tunnel extending across 1,591 meters.

Scan here to watch video



T 15 Tunnel Project



Building A Nation

T 15 Tunnel Project is part of the larger Udhampur-Srinagar-Baramulla rail link project, spanning 272 kilometers. This comprehensive railway network includes the magnificent Chenab Bridge and comprises 927 bridges and 38 tunnels, with a combined length of 120 kilometers.

Scan here to watch video



Subansiri Lower Hydroelectric Project



Marvel on The Subansiri

Subansiri Project involves over 3,500 engineers and workers, this project aims to harness the power of water to generate an enormous 2,000 MW of electricity. The key feature of the Subansiri Project is the construction of a dam with a height of 116 meters above the river.

Scan here to watch video



The Kundah Pumped Storage Hydroelectric Project



A Giant in the Nilgiris

Kundah Pumped Storage Hydroelectric Project, that aims to provide an uninterrupted and renewable source of power to the national grid year-round upon completion is a crucial project for the state of Tamil Nadu. Witness the intricate construction process in "Extreme Tech: Patel Engineering" on National Geographic.

Scan here to watch video



Year At A Glance

Recognition To Our Nation Building Works



Best Infrastructure Company of the Year – Railway Development (T-2 project located in Jammu & Kashmir)



Best Infrastructure Company of the Year – Water Management (AMT – II project located in Mumbai)



“Top Challenger 2022 Company” at the 20th Construction World Global Awards 2022.



Construction Times Awards 2023 For Best Tunnel Project Of The Year - Sela Pass Road Tunnel Project

Ongoing Projects (including L1)



Domestic

(₹ In Million)

Sr. No.	State	No. of Projects	Project Value
1	Jammu and Kashmir	7	62,354
2	Himachal Pradesh	3	21,691
3	Madhya Pradesh	8	31,779
4	Maharashtra	10	18,766
5	Sikkim	1	12,120
6	Assam and Arunachal Pradesh	1	6,260
7	Nagaland	1	4,132
8	West Bengal & Sikkim	1	4,174
9	Tamil Nadu	2	2,568
10	Rajasthan	1	2,440
11	Karnataka	4	12,277
12	Arunachal Pradesh	2	19,238
13	Bihar	2	922
14	Chhattisgarh	1	446
15	Meghalaya	3	121
Total		47	1,99,288

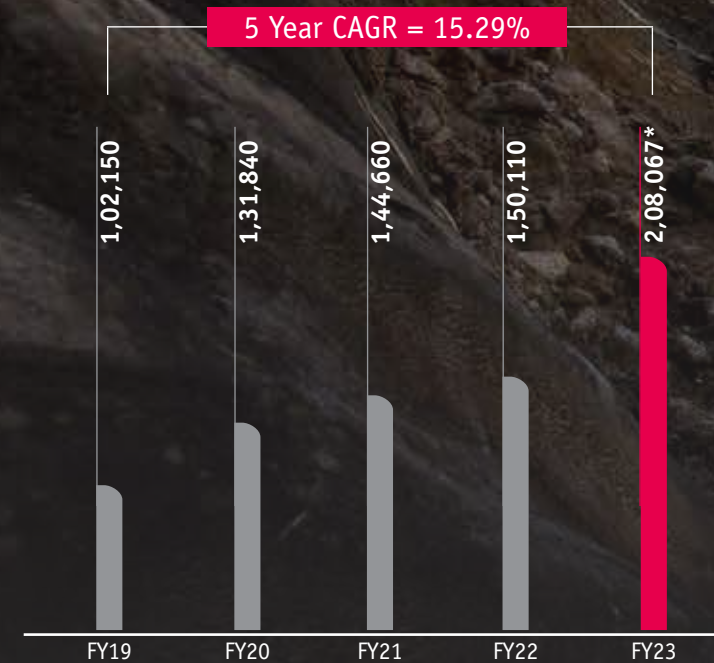


International

Sr. No.	State	No. of Projects	Project Value
1	Nepal	2	8,779

Order Book

Yearly (₹ In Million)



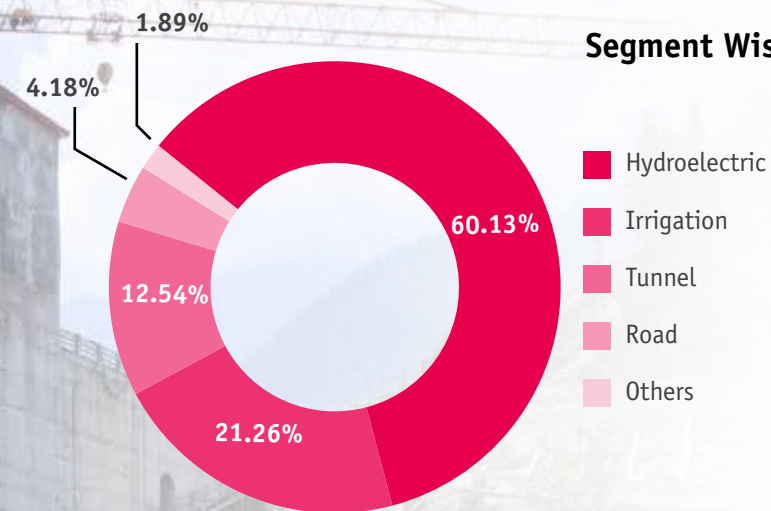
Total Order Book as on 31st March 2023 stands at ~ ₹ 2,08,067* Million

*FY23 includes 6 Projects which are L1 Orders amounting to ₹ 32,217 Million

As on Q1 FY24, LOA for 1 project awaited amounting to ₹ 18,185 Million

Segment Wise Order Book

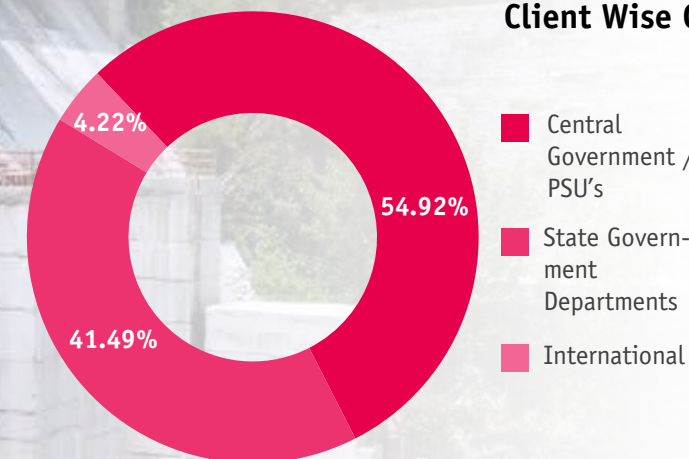
(₹ In Million)



Segment	No. of Projects	Order Book Value
Hydroelectric	18	1,25,119
Irrigation	15	44,231
Tunnel	6	26,084
Road	5	8,698
Others	5	3,935
Total	49	2,08,067

Client Wise Order Book

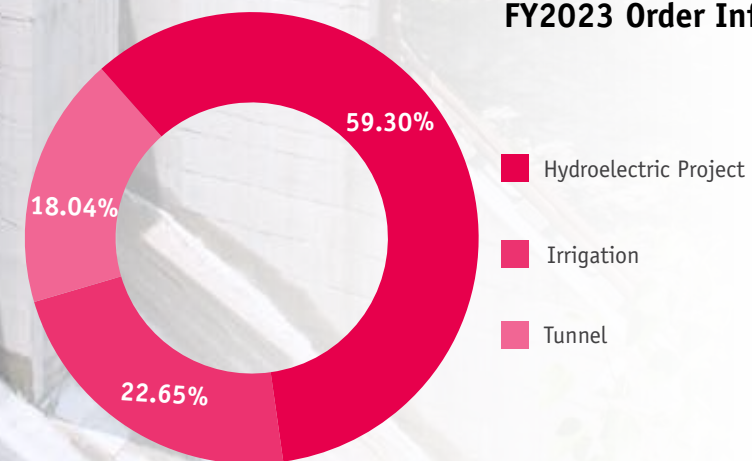
(₹ In Million)



Client	No. of Projects	Order Book Value
Central Government / PSU's	17	1,12,966
State Government Departments	30	86,322
International	2	8,779
Total	49	2,08,067

FY2023 Order Inflow

(₹ In Million)



Sector	No of Projects	Order Book Value
Hydroelectric Project	3	45,874
Irrigation	6	17,522
Tunnel	3	13,958
Total	12	77,354

Comparative Financials

(₹ In Million)

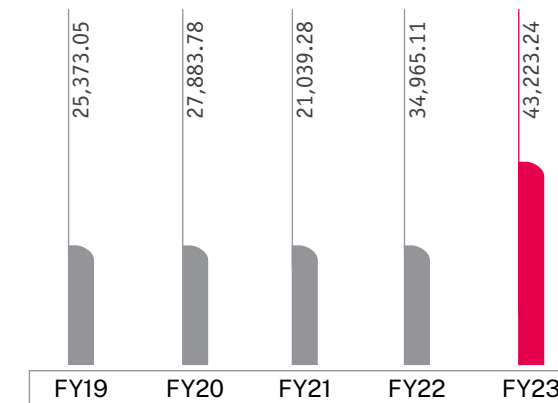
Particular	FY2019	FY2020	FY2021	FY2022	FY2023
A. FINANCIAL POSITION					
Share Capital	164.24	408.17	465.45	479.23	773.62
Reserves & Surplus	22,602.88	25,061.78	22,730.21	23,357.76	28,105.95
Shareholders Funds	22,767.12	25,469.95	23,195.66	23,836.99	28,879.57
Minority Interest	565.93	330.98	612.90	714.11	878.20
Loan Funds	26,485.77	22,444.67	22,663.90	22,616.12	17,521.28
Total Funds Employed	49,818.82	48,245.60	46,472.46	47,167.22	47,279.05
Fixed Assets (Net)	16,412.38	17,480.77	13,611.47	14,631.44	15,887.08
Investments	1,164.43	789.75	678.90	816.08	1,242.26
Deferred Tax Assets (Net)	1,638.67	1,174.94	2,002.80	1,973.68	2,137.18
Net Current Assets & Non Current Assets	30,603.34	28,800.14	30,179.29	29,746.02	28,012.53
Total Application of Funds	49,818.82	48,245.60	46,472.46	47,167.22	47,279.05
B. OPERATING RESULTS					
Income from Operations	23,622.05	26,172.14	19,947.93	33,803.05	42,019.71
Other Income	1,751.00	1,711.63	1,091.35	1,162.06	1,203.53
Total Income	25,373.05	27,883.77	21,039.28	34,965.11	43,223.24
Total Operating Expenditure	20,020.85	24,318.82	17,601.56	28,525.73	35,770.95
Operating EBITDA	3,601.20	1,853.32	2,346.37	5,277.32	6,248.76
EBITDA Margin (%)	15.25%	7.08%	11.76%	15.61%	14.87%
Profit/ (Loss) before tax	2,039.10	547.20	(3,438.12)	1,120.18	2,326.89
Profit/ (Loss) after tax	1,594.16	313.03	(2,729.26)	688.75	1,788.02
Non Controlling Interest	(57.14)	(39.30)	(119.85)	(98.49)	(162.85)
Net Profit for Owner	1,487.25	44.46	(2,982.04)	550.06	1,548.06
Net Profit Margin (%)	6.30%	0.17%	-14.95%	1.63%	3.68%
C. EQUITY SHARE DATA					
Diluted Earning Per Share (Rs.)	4.58	0.39	(6.78)	1.49	2.23
Number of Shares	16,42,48,506	40,81,78,292	46,54,53,024	47,92,30,494	77,36,17,228

Restated financial numbers for FY 22 after merger of subsidiaries

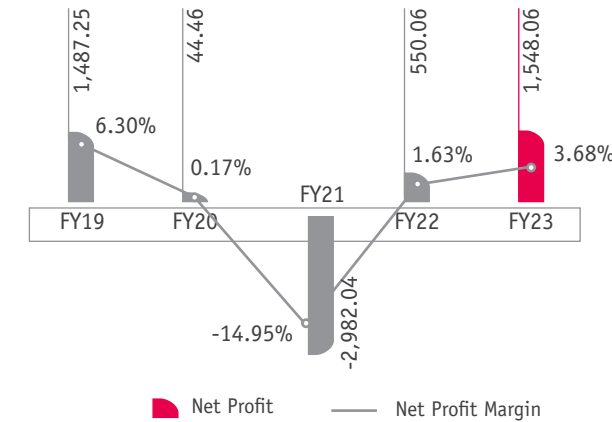
Key Highlights

(₹ In Million)

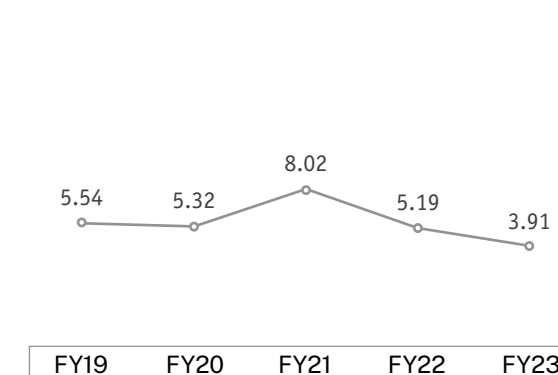
Revenue



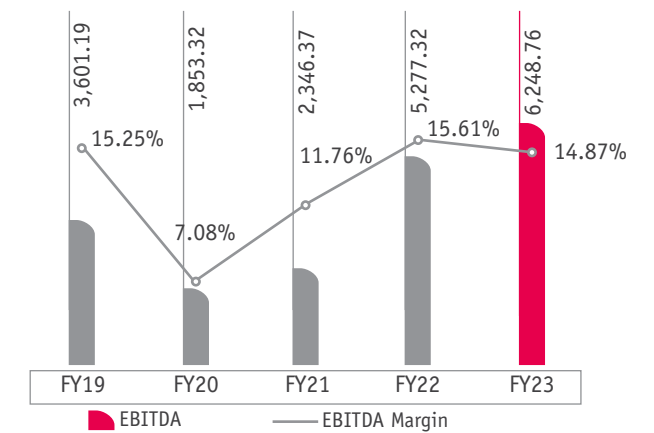
Net Profit & Net Profit Margin



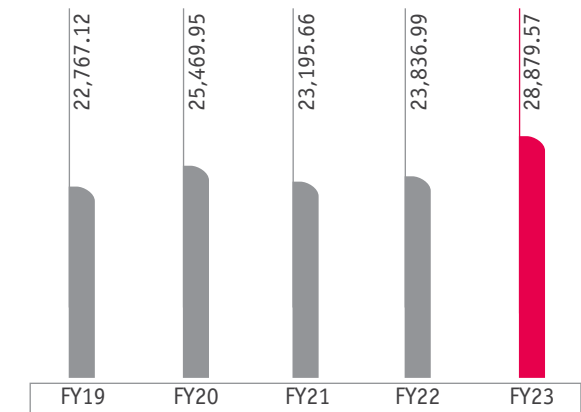
EV/EBITDA (In Times)



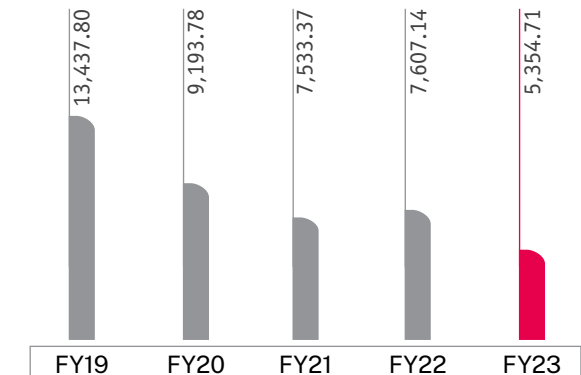
EBITDA & EBITDA Margin



Shareholders Funds



Long Term Borrowing



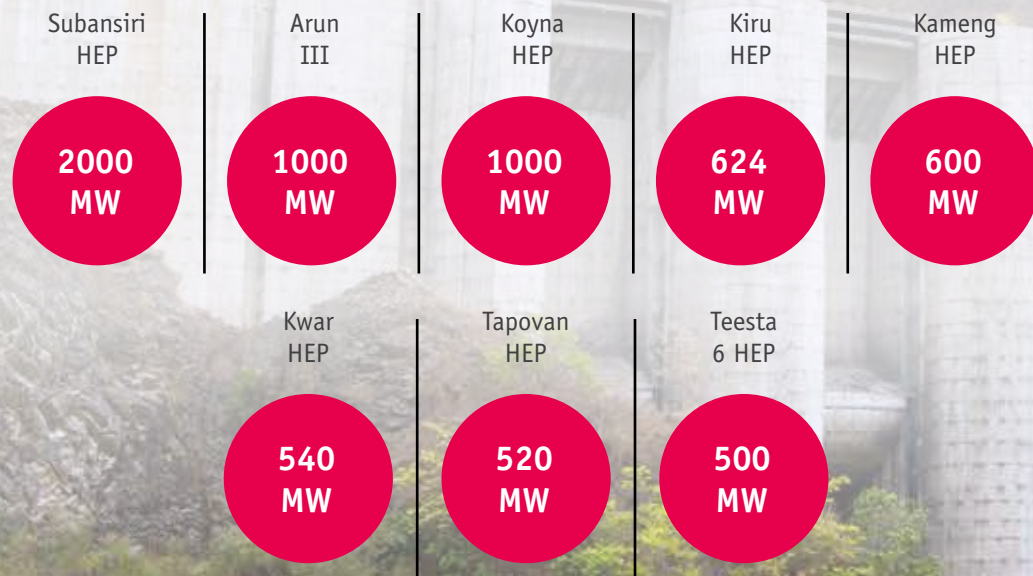

Hydro Power Projects


Patel Engineering 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.

Involved in Generation of more than
15000 MW

PEL Large Hydro Power Projects:

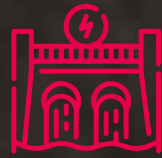



 Subansiri HEP is one of the largest hydroelectric power projects in India, with the capacity of 2000 MW



Subansiri Hydroelectric Project, Assam

Hydro Power Projects



Dams are an integral part of the modern world. Patel Engineering 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.

Involved in construction of more than

87 Dams



Parbati Hydroelectric Project,
Himachal Pradesh



Teesta Barrage,
West Bengal



Tenga Dam, Kameng HEP,
Arunachal Pradesh



Sawrakuddu Underground Power House,
Himachal Pradesh



Tapovan HEP – Underground PH,
Uttarakhand

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.

Tunneling

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

Underground Works

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-III 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
4000 meters
of shafts in all
shapes and sizes

Largest surge shaft in Asia
38 mtrs of Dia.
Rampur Project.



Kundah HEP,
Tamil Nadu



Rampur HEP,
Himachal Pradesh



Arun - III HEP,
Nepal



Subansiri HEP,
Arunachal Pradesh



Transport

In India, transportation-related infrastructure has expanded dramatically in recent years. The Company is honoured to have built some of the greatest roads and rail bridges in the country as a part of this inspiring expansion.

Our projects include the Sela bi-lane road tunnel, which is located at the highest elevation of 13800 feet above sea level, and the 25 km long East-West Corridor in Assam. We have not only constructed motorways, bridges and roads, but also an unrivalled reputation for dependability, capacity, and innovation on high-altitude roads like Karzok-Chumar near the Indo-Tibetan border.

The Company is delighted to announce that we have been honored with the prestigious Construction Times Awards 2023 for the "Best Tunnel Project of the Year." This Award was received for Sela Pass Road Tunnel Project.

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 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.



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



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



RVNL - KTR Rail Project, Chhattisgarh



Constructed more than
1200 kms Roads

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



Saran Main Canal, Bihar



Parallel Lower Ganga Canal, Uttar Pradesh

Irrigation & Water Supply

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.

One of the Largest Diameter TBM used for irrigation project



The Company has been awarded the Letter of Acceptance (LOA) by CIDCO for the construction of a 6.70 km long treated water tunnel and allied works in Raigad District, Maharashtra.



Nettampadu Lift Irrigation Project, Karnataka



PGRW Water Supply Project, Maharashtra



AMT-2 Water Supply Project, Maharashtra



Advanced Technologies For Our Operating Segments

We leverage a diverse range of cutting-edge technologies to effectively manage our projects at Patel Engineering Ltd. These include mass block blasting, roller compacted concrete, microtunnelling, horizontal directional drilling, double lake tap, the New Austrian Tunnelling Method (NATM), finite element method application, non-destructive testing methods, and earth pressure balancing tunnel boring machines. These technologies empower us to exercise greater control over project quality and costs while ensuring timely execution. By utilizing these advanced techniques, we optimize construction processes, minimize environmental impact, and deliver exceptional results to our clients.



Mass block blasting

We employ the efficient “mass block blasting” method for cavern creation, replacing the conventional “bench blasting” technique. This innovative approach reduces explosive usage and allows for faster excavation of larger areas. We have successfully applied this technology at our Arun-III project for underground excavation work.



Roller Compacted Concrete (RCC)

We are proud pioneers of RCC technology in hydro power projects in India. By utilizing a mix of fly-ash and cement in a ratio of 70:30, instead of relying solely on cement, we achieve faster and more cost-effective dam construction without compromising on quality or client requirements. This innovative approach has enhanced our competitiveness, and RCC technology was first implemented in the Ghatghar RCC Dam project in Maharashtra.



Micro tunnelling and Horizontal Directional Drilling

Micro tunnelling technology revolutionizes the construction of small diameter tunnels for various applications, including water supply, underground cabling, and drainage systems. It eliminates the need for expensive and time-consuming digging into concrete or roads. By avoiding disruptions to busy streets and railway tracks, micro tunnelling minimizes traffic blockages and was successfully employed for the water supply and sewage system construction for the Municipal Corporation of Greater Mumbai.



Double Lake Tap

Lake tapping is a time-saving technique used to connect water conductor systems to lakes, expediting the implementation of hydro projects by up to a year. We successfully executed the Double Lake Tap Project at Koyna, Maharashtra, which was a pioneering project in Asia. Our expertise in this area has earned us a repeat order for work on the Koyna Project.

Advanced Technologies For Our Operating Segments



New Austrian Tunnelling Method (NATM)

NATM is a construction method that uses soil strength to reinforce tunnel structures. It involves constant monitoring and adapts drilling and design based on ongoing monitoring results. NATM is used in projects like Tunnel T2 and Sela bypass tunnel.



Concrete Tower Belt System

The implementation of the Tower Belt System, a conveyor belt concreting system, was a remarkable technological advancement carried out at the Kiru Hydroelectric Project. This system, powered by electricity, plays a crucial role in transporting aggregate from the crushing plant to the batching plant, replacing the conventional use of dumpers over a distance of approximately 1.5 - 2 kilometers. Additionally, the Tower Belt System efficiently conveys concrete from the batching plant to the dam, which was previously done using transit mixers or dumpers. By reducing diesel consumption and improving overall efficiency, this innovative technology has significantly contributed to the success of the Kiru Hydroelectric Project.



Application of Finite Element Method (FEM) technique

FEM technique is used in engineering and mathematical models, including structural analysis, heat transfer, fluid flow, mass transport, and electromagnetic potential. Collaborating with specialist agencies ensures accurate design and construction, as seen in the Sela bypass tunnel project.



Earth Pressure Balancing Tunnel Boring Machine (TBM) for tunnelling

TBMs are specialized machines used for infrastructure projects, such as tunnelling in soft ground conditions. EPBs are shield TBMs designed for water under pressure, loose sedimentary deposits, soil types, and high-water tables. They are utilized in the Sleemanabad NVDA Project.



Urban Infrastructure



Mantalai Jammu Tourism Building, Jammu & Kashmir



Smondo Gachibowli, Telangana



Neotown Residential Complex, Karnataka



BYTCO Hospital, Maharashtra

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, India, General Post Office in Qatar and Conference Centre cum Secretariat for SAARC in Bhutan.

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.

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 Kadtal. This is a Build-Operate-Transfer (BOT) project on the North South Corridor.



NH-07, Andhra Pradesh



KNT - 01, Karnataka



Varanasi - Shaktinagar, Uttar Pradesh

Board Of Directors



Rupen Patel
Chairman & Managing Director

Experience: 27+ Years

Mr. Rupen Patel is a highly accomplished professional with strong education background. He is a Commerce graduate from Mumbai University and holds MBA degree from the Babson College, U.S.A.

He joined the Board as an Executive Director in 1996. Eventually, he was elevated to the position of Managing Director in 1999 and further Chairman & Managing Director in 2017. He has been trained under the supervision of his visionary father, Mr. Pravin Patel. Under Mr. Rupen Patel's 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.

Actively leading a group of top-notch project professionals, financial experts and various functional heads by setting high standards of performance excellence, to attain the organization goals and objectives is the trademark of Mr. Patel's leadership style.

Kavita Shirvaikar
Whole Time Director & CFO

Experience: 25+ Years

Ms. Shirvaikar a highly accomplished finance professional, is a qualified CA & CWA. She specializes in finance, fund management, accounting, tax, audit and banking. She is recognised as a top finance professional in India for 4 consecutive yrs and recently bagged prestigious CFO of the year Award (female category).

She joined the Company as VP -Finance and swiftly advanced to the position of Joint CFO and then CFO. In a span of 3 yrs, she has earned a place in the Board of the Company.

Her responsibility includes overlooking risk management, investor relations, debt realignment, financial reporting and stakeholder engagement. She also assists in formulating the Company's future goals, strategizing various business plans and getting involved in project review and operations in order to ensure cost optimization, revenue maximisation and availability of working capital for unrestricted work in progress at project sites.

Her expertise and leadership has significantly contributed to Company's success.

Sunil D. Sapre
Whole Time Director

Experience: 43+ Years

Mr. Sunil Sapre is an accomplished civil engineer with 43 years of experience including 32 years with our Company. Holding a Bachelor's degree in Civil Engineering from VJTI, University of Mumbai (a Rank Holder) with Post Graduate Diploma in Construction Management from NICMAR, Mumbai, his expertise spans across number of civil engineering fields including pipelines, specialised building structures, irrigation, hydro projects, and transportation. He played crucial role in achieving significant milestones including Asia's first underwater double lake tapping and India's first roller compacted concrete (RCC) Dam.

His responsibilities encompass operations, contracts, arbitration, legal matters, tendering and business development.

K. Ramasubramanian
Independent Director

Experience: 56+ Years

Mr. K. Ramasubramanian, a retired General Manager from Reserve Bank of India (RBI) joined the Board of the Company on September 20, 2019 as an Independent Director, with a wealth of experience in various positions.

A MSc, a PGDBA, and a CAIIB-I from Indian Institute of Bankers, retired as a GM, RBI in May 2002 after serving more than three and half decades occupying various executive 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 a faculty member of Reserve Bank Staff College, a Professor in S.P Jain Institute of Management, Mumbai for 8 yrs. He has also served as a "Subject Expert on FEMA" in the Court of Arbitration in UK and Singapore. His extensive background and insights in banking and finance greatly contribute to our Company's strategic governance.

Dr. Barendra Kumar Bhoi
Independent Director

Experience: 35+ Years

Dr. Bhoi is a distinguished central banker and economist with over 3 decades of experience. He held several key positions at the RBI, including Principal Advisor and Head of the Monetary Policy Department. He also served as Chief GM / Head of the Research Department at the SEBI, Economic Policy Expert at the Central Bank of Oman, and Visiting Fellow at IGIDR, Mumbai.

He has a Ph.D. in Economics from IIT, Bombay and a Master's degree in Analytical and Applied Economics from Utkal University, Bhubaneswar, and CAIIB from the Indian Institute of Bankers.

He is 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 macroeconomic 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.

Dr. Sunanda Rajendran
Independent Director

Experience: 40+ Years

Dr. Sunanda Rajendran is a highly accomplished professional with a rich experience in handling the Export /Import activities, having expertise in resolving issues of International Arbitration, Business management, P R relations with nearly 70 countries Diplomats and Govt and Ministry and their key officials and Secretarial Practice and 40 years of experience. She currently serves as the Executive Director of the Indo Arab Chamber of Commerce and Industries and Secretary General of the Indo African Chamber of Commerce & Industry. She has been instrumental in promoting India's bilateral trade with 20 Arab countries and nearly 48 African countries.

She plays a pivotal role in promoting Indian expertise, technology transfer, joint ventures in various African countries in Agro sector, Health care, IT and ERP solutions, Renewable Energy, skill development and high edutech digitalisation projects in education isectors. Her contribution have made significant impact across Arab and African countries. Been custodian of 678+ African students studying in India pursuing higher education.

Shambhu Singh
Independent Director

Experience: 35+ Years

Mr. Shambhu Singh is a retired I.A.S officer with a Master's degree in MA (Economics). With career spanning over three and half decades, he held significant positions, including Special Secretary & Financial Adviser at the Ministry of Road Transport, Highways & Shipping, New Delhi. His impactful leadership and integrity were evident in his roles as an Additional Chief Secretary-ship in the Government of Manipur, where he focused on forest and wildlife conservation, the environment, climate change impact, adaptation and mitigation, and as Joint Secretary in Government of India. He also served on the Board of various public sector undertakings such as Central Electronic Limited, Dredging Corporation of India Limited, Shipping Corporation of India Limited, Indian Tourism Development Corporation Limited, and India Port Rail & Ropeway Corporation Limited during his tenure as an IAS officer.

Currently, he has been appointed as Chairman of the Committee to resolve issues pertaining to Public-Private-Partnership (PPP) Projects of Major Ports in India.

Ashwin Parmar
Independent Director

Experience: 40+ Years

Mr. Ashwin Parmar is an accomplished civil engineer, known for his expertise in project management. He has been involved in pioneering projects in India, introducing innovative technologies such as Tunnel Boring Machines and Roller Compacted Concrete for dams. During his tenure in Tata Consulting Engineers he has successfully supervised Bandra and Worli Outfall 3 km into Arabian sea, in capacity as Senior Resident Engineer. He has strong leadership and communication skills and Articulate approach to tackle technical glitches.

With key positions in renowned companies like ITD Cementation India Ltd, he has demonstrated exceptional leadership, achieving a record order book of over Rs. 20,000 crores as Executive Vice President and Chief Business Officer.

His strategic acumen and analytical skills have enabled him to form successful joint venture with national and international agencies, contributing to the growth of the infrastructure sector.

Message from The Chairman



Dear Shareholders,

We are currently witnessing a profound paradigm shift in both individual attitudes and the fundamental structure of our economy. Individuals are increasingly gravitating towards companies that not only add value to their lives but also evoke genuine emotions within them and contribute to the betterment of the world. The Indian economy has experienced a robust recovery, primarily driven by the resolute spending towards infrastructure. The Government has been diligently implementing policies and closely monitoring projects to ensure the timely creation of world-class infrastructure across the country, encompassing power generation, bridges, dams, roads, and urban development.

As India strives to meet its energy demand, projected to reach a staggering 15,820 TWh by 2040, renewable energy will have a major role to play where hydro-power has an indispensable role in the global energy landscape, surpassing nuclear power and all other renewable energy sources combined. Its unique ability to rapidly adjust power generation according to peak demand and compensate for intermittent energy generation from other renewable sources makes hydro-power an extraordinary contributor to low-carbon energy. The Government has set an ambitious target of attaining green energy capacity of 523 GW by 2030. This includes a substantial 73 GW from hydro sources.

The construction of hydropower and irrigation projects stands as a matter of immense importance, aligning perfectly with the Prime Minister's vision of fostering self-reliance through a robust infrastructural foundation. The Government, demonstrating its unwavering commitment, diligently monitors infrastructure projects and extends all possible support for their timely completion.

The Government has launched various schemes for realization of arbitration awards under the Niti Aayog Guidelines and the recently announced Vivad se Vishwas II scheme for settlement of pending disputes related to Government contracts. Both these schemes will help deleverage the balance sheet of infrastructure companies. Further, the introduction of 'Surety Bonds' for infrastructure projects will also boost the availability of both liquidity and capacity for infrastructure companies.

The past year has been remarkable for our Company, marked by the achievement of several milestones, filling me with a sense of satisfaction, immense joy and gratitude for the exceptional team we have on board, working tirelessly to propel the Company forward. Noteworthy achievements include:

- Tunnel T-2 Project: The project has been successfully completed in FY23 which will connect Kashmir Valley with the rest of India, providing all-weather connectivity and facilitating seamless transportation.
- Sela Pass Project: We achieved substantial completion at this project site which is the World's highest Bi-Lane Road Tunnel project situated at an altitude of 13,800 ft. This Sela Pass Tunnel project is being built in extreme weather conditions where the temperature drops to minus 10 to minus 15 degrees Celsius.
- AMT – II Project: Completed a 3.6 km long excavation of the first phase of the water tunnel construction, 106 meters below ground level in Mumbai.

- Luhri Hydroelectric Project – Stage I (210 MW): Completed works of the 617-meter-long Diversion Tunnel, including the Gate.
- Tunnel T-15 Project: Successfully completed mining work of Main Tunnel 5 and Main Tunnel 5A, totaling 2,875 meters.

Our financial health is steadily improving, with a commendable growth of 24.31% in consolidated revenue from operations, amounting to ₹ 42,019.71 million in FY23, compared to ₹ 33,803.05 million in the previous year. The consolidated Op. EBITDA for FY23 reached ₹ 6,248.76 million, representing a significant 18.41% increase. Notably, the Net Profit in FY23 stands at ₹ 1,548.06 million, reflecting a remarkable growth of 181.43%.

While we continue to strive towards turning our visionary goals into reality, our Company remains focused on bidding for new self-sustaining projects that offer favorable margins. I am pleased to inform you that our order book now stands at an impressive all time high of ₹ 2,08,067 million (including L1 orders) as of March 31, 2023. During FY23, we secured major orders amounting to approximately ₹ 77,500 million, including 6 projects for which we were declared lowest bidder (L1). Of these 5 projects have been converted to LOAs in Q1 FY24.

As our order book continues to expand, we are equally dedicated to strengthening our balance sheet. We have effectively managed our outstanding debt and have worked continuously to reduce the same through monetization of non-core assets and surplus from projects. As of March 31, 2023, the total consolidated debt amounts to ₹ 17,521.28 million, showcasing a significant reduction compared to ₹ 22,616.12 million on March 31, 2022, maintaining a Debt/Equity ratio of 0.61, we expect to further diminish debt in the coming years.

In FY23, the Company realized around ₹ 1,570 million through settlement of Arbitration claims which was utilized for reduction of debt. With the various measures taken by the Government and focus on settlement of claims under various schemes, we expect further reduction of debt moving forward. We have, as a part of consolidation of the structure of the group, completed the process of merging some of our wholly-owned subsidiaries with the Company, aiming to streamline operations and harness synergies throughout the group.

Latest information and up to date data always aid in taking well informed decisions. To upgrade our operational control over the on-going projects, we have implemented SAP post FY23 at all our sites.

The Board of Directors has also been diversified with the induction of Independent Directors of an experienced professional from the Indian Administrative Service and a practical engineering professional with large and long exposure to Infrastructure industry.

The equity of the Company has been enhanced with a Rights Issue of ₹ 3,250 million which was fully subscribed enabling required funds to meet working capital needs of new projects received in FY23 and also reduce debt. Further, we are also pleased to share that we have augmented human resources to support our expanding order book, with approximately 4,400 employees on board in FY23. The ESOP allotment of higher quantity of shares was done and this has

resulted in the ESOP Trust holding 4.79% of shares in the Company to compensate/reward employees for their contribution towards the growth of the Company.

Furthermore, we have been diligently building a robust equipment fleet that would enable us to execute various projects in the future. The influx of new orders received in FY23, coupled with L1 conversions in FY24, promises to provide a significant boost to our overall growth and profitability.

With continuous order inflows and our unfaltering commitment to debt reduction, we anticipate substantial growth and a fortified financial position in the future. Our Company has consistently been at the forefront of technological innovations. Having emerged triumphant over various challenges, we take immense pride in upholding our strong business ethics and firm credibility. As we cast our gaze towards FY24, a year brimming with opportunity, we stand well-positioned to leverage our robust order book.

The unwavering commitment of the government towards infrastructure development, with a particular emphasis on hydro-electric power, road development, and tunneling, resonates deeply with our core values. We remain committed towards building a solid foundation for an ever-changing world, contributing to the nation through the creation of world-class infrastructure and the generation of employment opportunities across the Country.

With a rich legacy spanning over 74 years, our Company has firmly established itself as a leading player in the hydro-electric sector. Our specialized focus in niche segments such as hydro-electric and irrigation infrastructure projects has earned us a commendable reputation and garnered immense trust among our stakeholders.

I would like to conclude by thanking our employees, stakeholders, and partners for their continuous support, hard work and dedication. We understand that our success is only possible due to their contribution and investment in our Company. As we move forward, we are determined to continue investing in our people, our technology, and our environment. We aim to raise the bar in the infrastructure industry by delivering innovative, cost-effective, and sustainable infrastructure solutions to our stakeholders and customers. Together, let us march ahead on this momentous journey, embracing challenges as opportunities and transforming them into remarkable accomplishments. With the combined strength of our talented workforce, cutting-edge technologies, and an unwavering commitment to excellence, we are poised to unlock a future brimming with boundless possibilities.

Yours truly,



Rupen Patel
Chairman & Managing Director

“Building a Legacy of Excellence: Pioneering Sustainable Infrastructure for a Better Future”

Rupen Patel
Chairman & Managing Director

Management Discussion and Analysis



Global Economic Outlook

Uncertain growth, persistent inflation and financial turmoil governs the World Outlook.

The July 2023 World Economic Outlook Update anticipates a moderation in global growth to 3.0 percent in both 2023 and 2024. However, this forecast indicates a notable rebound from the challenges faced during the pandemic.

Inflationary pressures are expected to ease gradually, with global headline inflation set to decline from 8.7 percent in 2022 to 6.8 percent in 2023 and 5.2 percent in 2024. This decline is primarily attributed to lower commodity prices. However, underlying (core) inflation is projected to decrease at a slower pace, delaying its return to target levels until around 2025 in most cases.

China's recent reopening has paved the way for a faster-than-anticipated recovery, but global inflation is still expected to remain above pre-pandemic levels, with a forecast of 6.6 percent in 2023 and 4.3 percent in 2024.

Initiatives such as the Connecting Europe Facility and the UK's National Infrastructure Strategy aim to boost growth through infrastructure investments. In North America, stimulus bills totalling \$1.6 trillion will support the expansion of infrastructure.

Developed economies have strong labour markets, leading to robust household spending. Record-high employment rates and narrowing gender gaps are positive indicators.

Overall, the global economy shows uncertain recovery, persistent inflation, and intermittent financial turmoil.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023>)

Indian Economic Outlook

Infrastructure Development Driving Recovery of Growth

India's economic growth in 2023 and beyond will be significantly influenced by strides made in key sectors, with infrastructure development playing a catalytic role in this progress.

S&P Global Ratings predicts that India's GDP will grow by 8% over the next three fiscal years - the fastest-growing major economy of the world.

Infrastructure is a vital enabler in India's journey towards becoming a \$5 trillion economy. Investments in physical infrastructure, coupled with initiatives to improve the ease of doing business, are essential for enhancing efficiency and reducing costs. Prime Minister Mr. Narendra Modi has emphasized the importance of infrastructure as a fundamental pillar for ensuring sustainable growth across sectors.

The government has demonstrated a strong focus on building future-ready infrastructure through initiatives such as the \$1.3 trillion national master plan for infrastructure, Gati Shakti. This plan has already made significant progress in implementing systemic and effective reforms in the sector.

To achieve the said goal by 2025, infrastructure development is critical. The National Infrastructure Pipeline (NIP), along with initiatives like "Make in India" and the production-linked incentives (PLI) scheme, are driving growth in the infrastructure sector. Historically, transportation, electricity, and water & irrigation sectors have received more than 80% of the country's infrastructure spending.

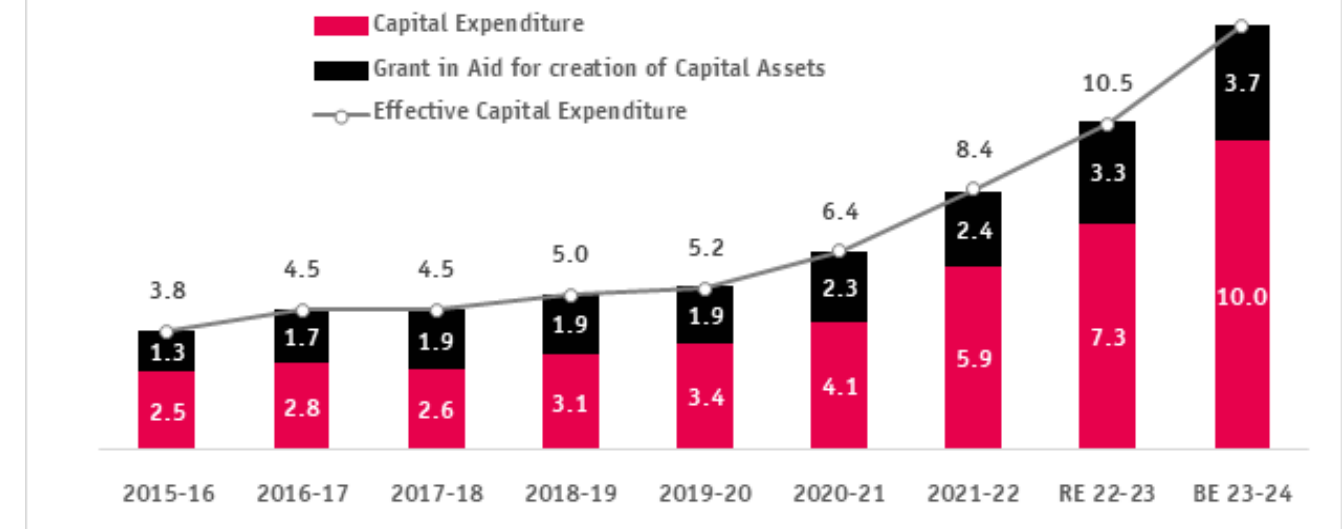
Furthermore, India's infrastructure development has attracted international attention for foreign investment. For instance, Saudi Arabia plans to invest up to \$100 billion in sectors such as energy, petrochemicals, refinery, infrastructure, agriculture, minerals, and mining.

(Source: <https://www.ibef.org/industry/infrastructure-sector-india>)

Union Budget Highlights for Infrastructure Sector

The Budget 2023-24 sets forth a comprehensive vision for a prosperous and inclusive India, emphasizing the crucial role of the infrastructure sector in achieving sustainable growth during the Amrit Kaal era. Capital outlay for infrastructure is being increased by 33% to ₹ 10 trillion (US\$ 122 billion), equivalent to 3.3% of GDP in FY24. If grants-in-aid to states for creation of capital assets are included, effective capital expenditures will be ₹ 13.7 trillion - a historic high so far.

Trend In Capital Expenditure (₹ in lakh Crore)



(Source: Union Budget 2023-24)

The budget prioritizes last and first mile connectivity, with a significant allocation for railways, further development of regional airports, and transportation infrastructure projects. The proposal to provide viability gap funding for battery storage, renewable energy evacuation, and the green credit program reflects a strong commitment to support green growth initiatives.

The government continues to focus on the Public-Private Partnership (PPP) model to promote energy-efficient and cost-effective coastal shipping as a mode of transport. The introduction of the Urban Infrastructure Development Fund aims to facilitate the development of urban infrastructure, enhancing the quality of life in Tier 2 and Tier 3 cities.

Overall, the budget proposals aim to foster domestic consumption, employment, and skill development, particularly for the digital India initiative. While the power sector did not receive specific tax incentives or capital expenditure-linked deductions, policy announcements such as the green hydrogen mission, green credit program, and support for renewable energy evacuation and battery storage systems through viability gap funding are designed to drive the green industrial and economic transition.

The Budget 2023 signifies a continuation of growth and lays the foundation for a digitally driven economy, with a strong focus on sustainable infrastructure development and the transition towards a greener future.

(Source: <https://www.ibef.org/industry/infrastructure-sector-india>)
(Source: https://www.ey.com/en_in/tax/union-budget-2023)

Infrastructure Sector Outlook in India

Hydropower

Hydropower in India holds the position of being the third-largest source of electricity, accounting for 11% of the country's total installed capacity, following coal (50%) and other renewable sources (30%). With 211 large hydro projects in operation and a cumulative installed capacity of 46.8 GW, India is actively pursuing 41 additional hydroelectric projects, totalling 17 GW, including 30 projects in the Himalayan region.

India recognizes hydropower as a renewable energy source and considers it instrumental in transitioning away from coal, as it helps manage the intermittency of solar and wind power.

In a bid to meet the rising power demand, India recently approved its largest-ever hydropower project in the northeastern region bordering China, aiming to boost renewable energy generation. The Ministry of New and Renewable Energy (MNRE) oversees the development of Small Hydro Power (SHP) projects, which serve remote areas in a decentralized manner, provide employment opportunities, and contribute to the renewable energy sector. Currently, 4,935.65 MW has been achieved through the implementation of 1,167 SHP projects, with an estimated potential of 21,133.61 MW across approximately 7,133 identified sites.

NHPC Ltd, a state-run hydropower company, will soon conduct trial runs for Subansiri Lower project, a crucial step in India's energy transition. By the end of 2024, all eight units of the project are expected to be commissioned. The government's efforts to promote hydropower include granting clean energy status to large dams, making it mandatory for power distributors to prioritize purchasing hydropower over fossil fuel-generated electricity. Additionally,

the government provides budgetary support for civil construction and flood moderation work to further incentivize hydropower development.

The National Hydrology Project (NHP), supported by the World Bank, aims to establish a comprehensive system for acquiring, storing, collating, and managing water resources data across India. With 48 implementing agencies involved, including central government bodies, river basin organizations, and state governments, the NHP facilitates informed decision-making for water resources assessment, planning, and management. The project, spanning from 2016-17 to 2023-24, has an approved outlay of ₹ 3,679.77 crore as a central sector scheme, providing 100% grant to state

governments and central implementing agencies.

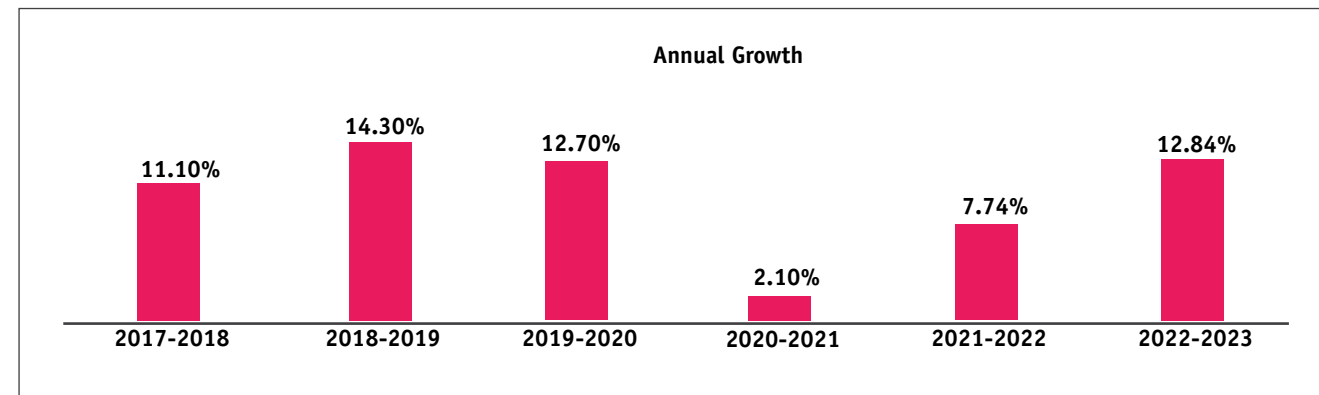
These initiatives showcase India's commitment to harnessing hydropower and managing water resources effectively, contributing to its renewable energy targets and reducing dependence on conventional power generation.

As per the Reassessment Study carried out by the Central Electricity Authority (CEA) during 1978-1987, the assessed hydro power potential in the country is about 1,45,320 MW (for projects with capacity above 25 MW). Presently, 42,104.6 MW (29%) out of 1,45,320 MW has been developed and 15,023.5 MW (10.3%) is under construction.

Status of Top 5 Hydro Electric Power Potential and Development (above 25 MW, as on 28.02.23)

Region/ State	Identified Capacity (reassessment study)	Capacity in operation		Capacity under construction	
		(MW)	%	(MW)	(%)
Arunachal Pradesh	50,064	1,115	2	4,880	10
Himachal Pradesh	18,470	10,263	56	2,490	14
Uttarakhand	17,998	3,975	22	1,571	9
Jammu & Kashmir	11,567	3,360	29	3,099	27
Karnataka	6,459	3,689	57	0	0

The annual growth in renewable generation (Including Hydro) (%) during recent years is as under:



(Source: Ministry of New and Renewable Energy FY23 Annual Report)

(https://www.business-standard.com/economy/news/india-gears-up-to-start-mega-hydropower-project-near-china-border-123061300291_1.html)

Irrigation

The Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), launched on 1st July 2015 with the motto "Har Khet Ko Paani," aims to expand cultivated areas with assured irrigation, improve water use efficiency, and reduce water wastage. It focuses on creating sources for irrigation and harnessing rainwater at the micro level through "Jal Sanchay" and "Jal Sinchan," promoting micro irrigation for increased crop productivity. Under the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) for 2021-26 there has been an outlay allocation of ₹93,068 Crore which would benefit about 22 lakh farmers.

The objectives of PMKSY include achieving convergence of investments in irrigation, enhancing access to water on farms, improving

water use efficiency, promoting precision irrigation technologies, and ensuring integrated development of rainfed areas. An outlay of ₹ 23,918 crore has been approved for PMKSY-AIBP and CAD&WM projects, with the aim of completing ongoing projects and providing financial assistance for new major and medium irrigation projects.

The Jal Jeevan Mission focuses on providing safe and adequate drinking water through tap connections to all rural households by 2024. It emphasizes source sustainability, water conservation, and community participation. States/Union Territories have presented their focus areas, such as grey water management, capacity building of Panchayats, water service delivery, and multi-village schemes, to address water-related challenges and ensure "Har Ghar Jal" for all households.

The Jal Jeevan Mission and PMKSY are integral parts of India's efforts to enhance water resource management, improve irrigation, and provide access to clean drinking water, thereby supporting sustainable agricultural practices and rural development.

(Source: <https://jaljeevanmission.gov.in/>)
Department of Water Resources FY23 Annual Report

Tunnel

In recent years, tunnelling activity in India has witnessed significant acceleration driven by various growth factors. Government support, adoption of advanced technologies, and initiatives to enhance rural connectivity have played a crucial role. The Gati Shakti Master Plan, a government initiative aimed at fast-tracking India's development, is set to boost the Country's infrastructure capabilities, including the tunnelling sector.

The development of tunnels in India primarily stems from investments in sectors like metro rail, railways, roads and highways, hydropower, underground crude oil storage, and water and sewerage. India Infrastructure Research estimates that there is a promising pipeline of over 800 tunnels, spanning approximately 2,700 km across various sectors. The construction of these tunnels is anticipated to require an investment of over ₹ 5 trillion in the coming years.

Indian and foreign joint ventures are expected to remain interested in bidding for tunnel construction projects, with new players likely to enter the market. However, addressing critical issues such as delays in land acquisition, contractual challenges, and the shortage of skilled manpower is essential to ensure timely and efficient project implementation.

Source: <https://indianinfrastructure.com/2022/09/06/growth-passage/>

Road

India's highways sector has witnessed remarkable growth and innovation, contributing significantly to the country's transportation infrastructure. Despite the challenges posed by the pandemic, the construction of highways remained resilient, with an impressive 10,457 km added in FY22 alone. National highways, constituting a mere 2% of the road network, bear the burden of over 40% of the total traffic.

The market outlook for the highways sector is highly favourable, with a projected compound annual growth rate (CAGR) of 36.16% between 2016 and 2025. This growth trajectory has been facilitated by the government's effective implementation of the Hybrid Annuity Model (HAM), which has attracted private investment and fostered robust public-private partnerships (PPPs) in the sector.

Driven by attractive opportunities, strong demand, policy support, and increased investment, the government has set an ambitious target of constructing 65,000 km of national highways at a cost of ₹ 60,75,64,20,000 million. (US\$ 741.51 billion). This commitment is evident in the significant allocation of funds, such as ₹ 27,00,000 million (US\$ 33 billion) in the Union Budget 2023-24, underscoring the government's unwavering focus on road development.

India's highways sector continues to thrive through various ongoing projects and initiatives, showcasing sustained growth and unlocking immense potential for future progress.

(Source: <https://www.ibef.org/industry/roads-india>)

Urban Infrastructure

India currently has the fifth-largest metro network in the world and will soon overtake advanced economies such as Japan and South Korea to become the third-largest network. Metro rail network reached 810 kms and is operational in 20 cities as of September 2022. At almost 20 kms, Mumbai monorail is the third largest route in the world after China with 98 kms and Japan with 28 kms.

As a result of digitalization and opportunities that tier II and III cities present for economic growth, the divide between metro and non-metros is blurring, moving to a new era of infrastructure growth. Commercial real estate properties have witnessed exponential growth in demand across Tier II & III cities as Information technology and Information technology enabled services and banking financial services and insurance focused organizations are increasingly decentralizing their operations to adapt to the new normal.

220 destinations (airports/heliports/water aerodromes) under UDAN are targeted to be completed by 2026 with 1000 routes to provide air connectivity to unconnected destinations in India.

India's real estate market is undergoing significant growth, with projections indicating its market size will reach ₹ 6,50,000 million (US\$ 9.30 billion) by 2040, compared to ₹ 1,20,000 million (US\$ 1.72 billion) in 2019. By 2030, the sector is expected to reach a market size of US\$ 1 trillion, contributing 13% to India's GDP by 2025. This growth extends beyond residential real estate to sectors like retail, hospitality, and commercial real estate. Foreign investments have been substantial, totaling US\$ 10.3 billion in the commercial real estate sector from 2017-2021. The industry's positive outlook and evolving dynamics make it an attractive investment opportunity for both domestic and international investors.

(Source: <https://www.ibef.org/industry/real-estate-india>)

Patel Engineering (PEL) Development

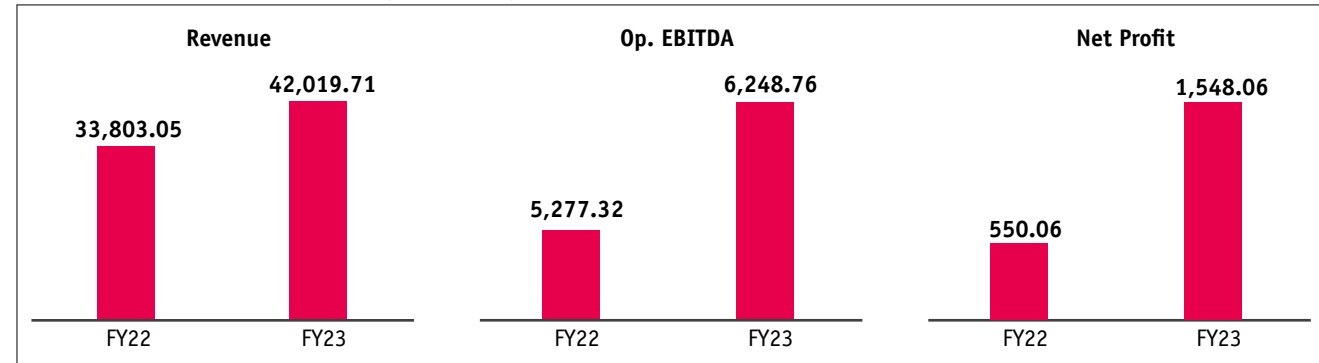
Financial Performance:

Revenues from operations of the Company for FY23 increased by almost 25.98% to ₹ 38,171.26 million as compared to ₹ 30,298.46 million in FY22 on a standalone basis. On a consolidated basis, revenue increased by 24.31% to ₹ 42,019.71 million from ₹ 33,803.05 million during the same period.

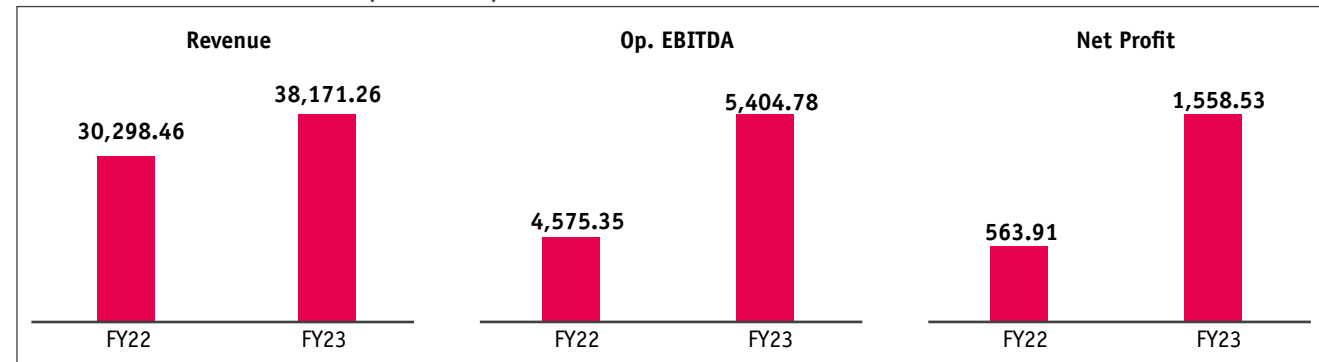
For FY23, standalone operating EBITDA stood at ₹ 5,404.78 million against ₹ 4,575.35 million - growth of 18.13% and on a consolidated basis operating EBITDA stood at ₹ 6,248.76 million against ₹ 5,277.32 million - growth of 18.41%.

For FY23, standalone Net Profit increased by 176.38% to ₹ 1,558.53 million as compared to ₹ 563.91 million and on a consolidated basis Net Profit increased by 181.43% to ₹ 1,548.06 million as compared to ₹ 550.06 million in FY22.

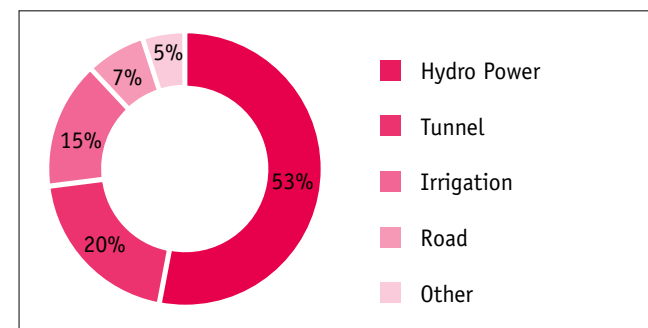
Consolidated Financial Performance (₹ in million)



Standalone Financial Performance (₹ in million)



Sector Wise Performance in FY23



Hydro Power business contributed 53% amounting to ₹ 20,103.87 million.

Tunnel business contributed 20% amounting to ₹ 7,506.10 million.

Irrigation business contributed 15% amounting to ₹ 5,814.92 million.

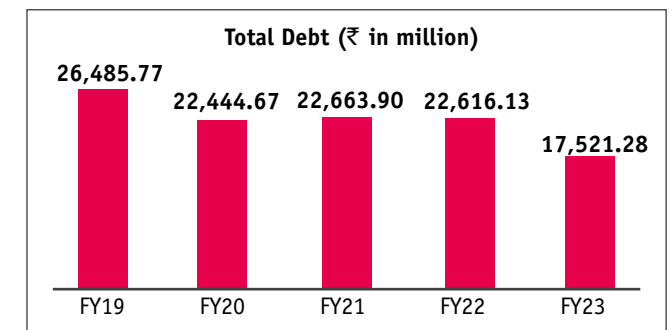
Road business contributed 7% amounting to ₹ 2,666.60 million. The balance contribution of 5% amounting to ₹ 2,079.77 million came from other segments which include urban infrastructure, real estate, etc.

In FY23, the company successfully completed its Rights Issue of ₹ 3,250 million which was fully subscribed.

In FY23, the Company has managed to sell a few land parcels located in Telangana and has generated cashflows of around ₹ 670 million. The amount received has been utilized towards prepayment of term loan and NCDs. The Company has also realized ₹ 1,570 million during Q4 FY23 from arbitration awards against BGs which again has been utilized for reduction of debt.

The Company has reduced its debt by ₹ 5,094.85 million in FY23 from ₹ 22,616.13 million as on March 31, 2022 to ₹ 17,521.28 million on a consolidated basis as on March 31, 2023 through monetization of non-core assets, surplus from projects and partly from Rights Issue proceeds.

The Company is focused and committed to reducing and improving the debt position and would continue the plan to monetize non-core assets through sale of Land, non-core investments and realization of arbitration claims/awards in the future as well and continue to reduce the debt and improve the profitability further and unlock shareholder value.



Based on the improvements in the financial performance along with the promising executional outlook of the Company, the rating of the Company has improved to BBB+.

Risks and concerns.

Internal Risk Factors:

Our business heavily relies on government contracts, making us vulnerable to potential policy changes. This introduces uncertainty and challenges that need careful management. Additionally, delays, modifications, or cancellations of projects can have a significant impact on our business, affecting our order book and future projects. These factors have the potential to materially and adversely affect our results of operations and financial condition.

External Risk Factors:

Prevailing economic, political, and market conditions can lead to a slowdown in the Indian economy, negatively impacting our business, financial performance, and operations. Communicable diseases like COVID-19 and natural calamities pose a significant risk to the Indian economy, which in turn can have adverse effects on our business. Moreover, a potential downgrade in India's debt rating by rating agencies can have adverse implications for our business operations and financial performance.

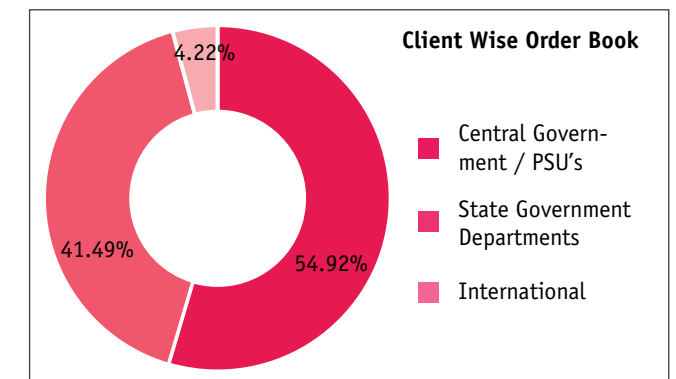
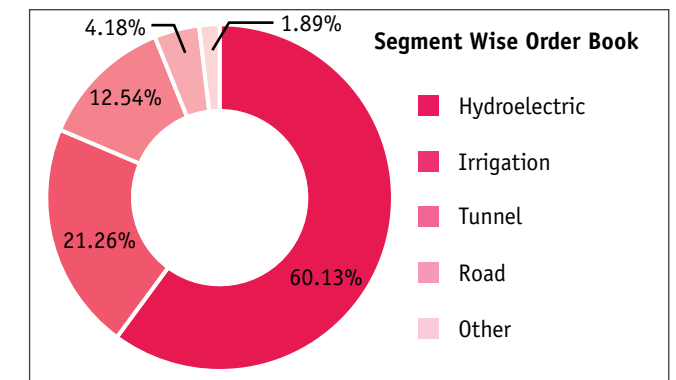
Operations Review

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 and to bid for projects in which the Government is investing funds.

Business Development

The Order Book position improved to ₹ 2,08,067 million (including orders declared lowest bidder – L1) as on March 31, 2023 from ₹ 1,50,110 million as on March 31, 2022.

Order Book



Hydropower:

The Indian government has granted approval for the Dibang multi-purpose project, which stands as the country's largest-ever hydropower undertaking. Set amidst the scenic mountains of the Northeastern region, specifically in Arunachal Pradesh, this project boasts a capacity of 2,880 MW and will be developed by NHPC Limited. Our organization has recently secured the L1 position for a portion of this project, which will be implemented in a phased manner. The hydropower and tunneling sectors hold immense potential, with a staggering value of over ₹ 8,00,000 million in upcoming projects within the next few years.

Our Order Book comprises of 18 Hydropower projects valued at ₹ 1,25,119 million including following orders received in FY 2022-23.

- Dibang Multipurpose Project. Project Location: Arunachal Pradesh. Client: NHPC Limited. Contract Value: ₹ 36,371 million. Our share – 18,185 million. (50% share in JV). Remarks: LOA awaited
- Kwar Hydroelectric Project. Project Location: District Kishtwar,

Jammu & Kashmir. Client: CVPP [Chenab Valley Power Projects (P) Ltd], a Joint Venture of NHPC (51%) & JKSPDC (49%) Contract Value: ₹ 24,610 million.

- Sunkoshi Marin Diversion Multipurpose Project. Project Location: District Sindhuli, Nepal. Client: Department of Water Resources and Irrigation, Ministry of Energy, Government of Nepal. Contract Value: ₹ 8,797 million. Our share – ₹3,079 million. (35% share in JV).

Irrigation:

The Company has successfully improved its presence in the micro irrigation sector and secured multiple orders in Q4 FY23. This sector plays a crucial role in the last leg of irrigation projects, delivering water to villages through pipelines and canals. There is tremendous potential in this segment, especially for villages located far from rivers. Our expansion in micro irrigation allows us to contribute to rural development and meet the essential water needs of these communities.

Under Pradhan Mantri Krishi Sinchayee Yojana for 2021 to 2026, there has been an outlay allocation of ₹ 9,30,000 million, which would benefit about 22 lakh farmers. Hence, there is a huge potential of works expected in this segment also.

Our Orderbook comprises of 15 Irrigation projects valued at ₹ 44,231 million which includes following orders received in FY 2022-23.

- Rihand Micro Irrigation Project. Project Location: Madhya Pradesh. Client: Department of Water Resources, Madhya Pradesh. Contract Value: ₹ 6,400 million. Our share – ₹ 5,120 million (80% share in JV)
- Tumkur Branch Canal – Package III. Project Location: Karnataka Client: Visvesvaraya Jala Nigama Limited. Contract Value: ₹3,111 million., Our share – ₹ 1,586 million. (51% share in JV).
- Tumkur Branch Canal – Package V. Project Location: Karnataka. Client: Visvesvaraya Jala Nigama Limited (VJNL). Contract Value: ₹ 5,511 million. Our share – ₹ 2,810 million. (51% share in JV).
- Sher Irrigation Project. Project Location: Madhya Pradesh. Client: Department of Water Resources, Madhya Pradesh. Contract Value: ₹ 9,987 million., Our share – ₹ 3,495 million. (35% share in JV) Remarks: Converted to LOA in Q1 FY24.
- Krishna Marathwada Irrigation Project - Scheme 1. Project Location: Maharashtra. Client: Water Resources Department, Government of Maharashtra. Contract Value: ₹ 5,920 million. Our share – ₹ 3,021 million (51% share in JV) Remarks: Converted to LOA in Q1 FY24.
- Krishna Marathwada Irrigation Project - Scheme 2. Project Location: Maharashtra. Client: Water Resources Department, Government of Maharashtra. Contract Value: ₹ 2,484 million., Our share – ₹ 1,490 million. (60% share in JV) Remarks: Converted to LOA in Q1 FY24.

Tunnel:

The growth of the tunnel construction in the country has been driven by a robust pipeline of projects and investments in setting up hydropower projects, developing urban mass rapid transit systems, improving road and rail connectivity, constructing underground crude oil storage, and upgrading water supply and sewerage systems.

Going forward, the overall outlook for tunnel development in the country remains promising. According to India Infrastructure Research, the tunneling sector offers a strong pipeline of over 500 tunnels, spanning a length of around 1,000 km across sectors like roads, railways and metro rail. The sector holds immense promise for contractors, consultants, and technology and equipment providers.

Our Orderbook comprises of 6 Tunnel projects valued at ₹ 26,084 which includes following orders received in FY 2022-23:

- PGRW Tunnel Project. Project Location: Mumbai, Maharashtra. Client: MCGM. Contract Value: ₹ 4,200 million.
- Kohima Tunnel Project. Project Location: Nagaland. Client: NF Railway Construction, Guwahati. Contract Value: ₹ 8,230 million., Our share – ₹ 4,200 million. (51% share in JV).
- CIDCO – Water Tunnel Project. Project Location: Maharashtra Client: City and Industrial Development Corporation (“CIDCO”). Contract Value: ₹ 5,558 million. Remarks: Converted to LOA in Q1 FY24.

Road:

Under the Union Budget 2023-24, the Government of India has allocated ₹ 27,00,000 million (US\$ 33 billion) to the Ministry of Road Transport and Highways. As a company operating in the road infrastructure development sector, it has played a significant role in this domain by successfully constructing over 12,000 kilometers of roads.

Our Orderbook comprises of 5 Road projects valued at ₹ 8,698 million

Others:

As per a recent report release by the World Bank, by 2036, 600 million people will be living in urban cities in India, representing 40% of the population. India will need to invest USD 840 billion over the next 15 years into urban infrastructure if it is to effectively meet the needs of its fast-growing urban population.

Currently, the central and state governments finance over 75% of city infrastructure, while Urban Local Bodies (ULB) finance 15% through their own surplus revenues.

Only 5% of the infrastructure needs of Indian cities are currently being financed through private sources.

Our Orderbook comprises of 5 projects in this segment valued at ₹ 3,935 million

Projects Update

Following are some key projects under execution by the Company, apart from the new projects received as detailed above.

Hydro Power & Tunneling

- Subansiri HEP (2,000 MW)
- Kiru HEP (624 MW)
- Luhri HE Project (210 MW)
- Arun-III HE Project (900 MW)

- Teesta HEP (500 MW)
- Kwar HEP (540 MW)
- IRCON T15 (Railway Tunnel)

Irrigation

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

Roads

- Shivane to Mhatre bridge
- Selapass Road and Tunnel
- Katraj Kondwa Road
- Up-gradation - Pimpla junction.
- Construction of New BG Line – Yevatmal for RVNL

Urban Infrastructure

- Amarmahal to Trombay Tunnel
- Hindoli - Nainwa Water Supply Project
- RVNL Project
- PGRW Tunnel

In FY23, the Company successfully completed Tunnel T-2 project in India's Udhampur-Srinagar-Baramula Rail Link. Tunnel T-2 project is

a double tube tunnel project comprising of 5.1 km Main Tunnel and an Escape Tunnel, both interconnected by Cross Passages at every 375m. The project is crucial in connecting the Kashmir valley with the rest of India, providing all-weather connectivity and facilitating seamless transportation. The total project value on completion was ₹ 8,698 Million.

At our Kiru Hydroelectric project, we have made some technological advancements by installing the tower belt system which is a conveyor belt concreting system. The conveyor belt which works on electric power helps transport aggregate from the crushing plant to the batching plant which is generally transported via dumpers covering a distance of around 1.5 - 2 kms and further transporting concrete on the conveyor belt from the batching plant to the dam which is generally done via transit mixers or dumpers. This helps us in reducing diesel consumption and well as saving cost and time.

We remain committed to our core E&C business with hydropower continuing to have a major focus for the next few years, given our expertise and experience in this sector and the Government boost to development the Infrastructure of the Country thus contributing our bit in the best possible way to the betterment of the society and Nation.

Details of Significant Changes in Key Financial Ratios along with explanation:

In compliance with the requirement of listing regulations, the key financial ratios on Consolidated basis have been provided here under:

Ratio	FY23	FY22	Change In %
Debtor Turnover	7.91	6.02	31.40
Inventory Turnover	0.26	0.24	8.33
Interest Coverage Ratio	1.78	1.53	16.34
Current Ratio	1.44	1.41	2.13
Debt to Equity Ratio	0.61	0.95	-35.79
Operating Profit Margin	14.87	15.61	-74 BPS
Net Profit Margin	3.68	1.63	205 BPS
ROE	5.36	2.31	132.29

Note: The explanation for significant change along with reasons has been captured in the notes to financial statements.

Asset Ownership:

Hydro Power Projects & Thermal Power Projects - The Company has kept all its plans for development of Asset Ownership Projects on hold and is focusing on E&C Business and is looking to hive off these assets which includes project land of approximately 1,500 acres.

Road BOT – The two annuity road BOT projects, i.e., KNT – 1 & AP – 7 are in operation and maintenance stage. The Company is focusing on realization of arbitration awards against NHAI for the road BOT projects and then may look at hiving off the said assets as well. For the other BOT Project i.e., four-lane highway project on Varanasi-Shaktinagar Road, the toll collection period is presently on.

Transmission Asset – Raichur Sholapur Transmission Company Private Limited (RSTCPL), a SPV with Simplex Infrastructures Ltd and

BS Transcomm Ltd. commissioned 765 kV single circuit transmission line between Raichur and Sholapur in July 2014. As a part of Company's strategy to sell non-core assets, the stake in RSTCPL has been sold during the year under review to India Grid Trust by all the shareholders/partners of the SPV and the Company along with the partners of RSTCPL got released the corporate guarantees of approximately ₹ 2,400 million given for the loan availed by RSTCPL.

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 where all construction activities have been completed and the Company has commenced handing over the possession of the units to the Owners.

CSR Initiatives

Corporate Social Responsibility (CSR) plays a significant role in the development of the Country and the Company recognizes how important CSR initiatives can help improve the lives of individuals and communities. Mahatma Gandhi said that “Wealth created by the society has to be ploughed back into the society”. The Company is a staunch advocator of sustainable development and over the years has been working on projects which are aimed towards improvement of infrastructure landscape of the Country. The Company has its CSR policy and frame-work in place and has taken various initiatives to reduce our carbon footprint.

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.

In FY 2022-23, Company’s Project sites viz USBRL- T2, USBRL – T 15, Luhri Hydro Electric Project, Kiru Hydro Project are the major contributors towards various CSR activities conducted around its respective sites in FY 2022-23. 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 utilization, 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. Execution of projects generates vast number of documents, including contracts, plans, permits, and specifications. We have a document controlling system that helps in organizing, storing, retrieving, and sharing these documents securely. It ensures that the right stakeholders have access to the necessary information at the right time. Quality is of utmost importance in PEL. Our quality management system establishes processes and procedures to ensure that construction of projects meet the required standards and specifications. It includes quality control inspections, documentation of non-conformities, and corrective actions. Our Project sites can be hazardous, so safety management is crucial. A safety management system ensures compliance with safety regulations and promotes a safe working environment. It includes safety policies, hazard identification, risk assessments, safety training, incident reporting, and emergency response procedures.

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 minimize the incident ratio and made the operational ground safe to work on.

We use communication and collaboration systems to facilitate communication among project teams, subcontractors, suppliers, and clients. This includes email systems, project management software, and other collaboration tools. We require efficient management of labour, equipment, and materials. Our resource management system helps in tracking and allocating resources, scheduling equipment usage, managing inventory, and optimizing resource utilization. It ensures that resources are effectively utilized and projects are adequately staffed.

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

“If you change the way you look at things, the things you look at change.” - Wayne Dyer
Data has become the most valuable resource. The insights we derive from Data is the fuel for change. PEL’s Digital Transformation plan to establish digital-first, data-driven talent and culture is a deliberate strategy that is aimed to set a new performance edge for our Company. This strong digital core backed by our design thinking and human-centric approach, to deliver tangible business benefits will enhance our ability to connect the dots and define solutions for key business problems and help in accelerating growth and optimize operations by transforming every part of the business through technology, data, and new ways of working. In the beginning of the last year we decided to upgrade our existing ERP system with SAP ERP system by the end of financial year. Our goal and focus were to eliminate manual, inefficient processes,

reduce unnecessary administrative costs, mitigate risks related to separation of duties (SoD), deploying analytics, mobility and improve project profitability. We accomplished this mammoth task on our set target go-live date of April 17, 2023 in record time and with zero disruption to our business - PEL is now live on the latest offering by SAP namely, ‘RISE with SAP S/4Hana Cloud’. PEL is the first hydro power company in India that has gone live on this product, this has been the biggest milestone in our digital transformation journey.

We applaud the massive effort by our PEL engagement team who did a magnificent job. They had the requisite skills and experience to work closely with a range of service providers across multiple areas of the organization — a critical requirement for an enterprise-level project of this size and complexity. A cloud-based network enables collaboration with all project stakeholders including owner, contractor, subcontractors, engineers and architects, facility management, and authorities. Different disciplines are brought together, such as engineering, logistics, project control and service as well as structural, architectural, electrical, into a central system. A collaborative platform is now available to connect business partners across the value chain and establish a single source of truth for the project by providing visibility of contractual clauses and project progress. Enhancing business value with this intelligent enterprise transformation will allow our employees and stakeholders to interact at the construction sites with accurate insights and information in real time, on any device for better visibility into each supplier, vendor, and sub-contractor to track project progress, cost, and margin with greater accuracy.

Today, PEL operates like a Digital Native enterprise because simply investing in digital technologies isn’t enough; we believe that digital transformation does not only change individual elements within a business, but connects what’s happening at the company with the world outside and fosters new skills enabling a Total Reinvention to keep up to these dynamic times. In the last decade PEL has strived and succeeded in implementing an innovative digital mindset and culture through upskilling and retraining current employees on a constant basis.

Our next challenge is scaling our E-Learning, IoT efforts and a Deep Dive into AI.

Human Resources Department

“Great teamwork is the cornerstone of our breakthrough achievements, defining our strength.” Our company, comprising a large and diverse workforce of approximately 4,400 permanent employees, takes pride in attracting, engaging, and retaining top talent within a robust and competitive culture. Our primary objective is to cultivate a positive work environment that fosters employee.

We continuously work towards nurturing talent through comprehensive ‘on the job training’ and development programs, ensuring that our employees have the skills and support they need to succeed personally and contribute to the organization’s goals. Incorporating the principles of transformational leadership, we foster a culture of mentorship and collective growth, empowering us to inspire positive transformations in those around us. This approach is particularly valuable in our dynamic and competitive

industry, where we strive for continuous growth and success.

We are committed to creating an inclusive workplace where employees from diverse backgrounds can be their authentic selves, develop their skills, and advance their careers. By promoting diversity and fostering a sense of belonging, we aim to enhance work performance and create a culture of inclusion.

The HR department plays a pivotal role in our overall success, focusing on talent acquisition and nurturing, employee well-being, and process optimization. We actively connect with employees at remote project sites, recognizing the importance of their well-being and engaging in activities that promote their health and happiness. With more than 95% of our workforce located remotely, our HR department’s efforts contribute significantly to enhancing employee satisfaction and engagement, ultimately leading to improved performance and productivity.

Furthermore, we continually strive to enhance HR processes and systems, streamlining recruitment, on boarding, performance management, and employee development. By optimizing these processes, we enhance organizational effectiveness and drive positive outcomes for our company.

In summary, our HR department is dedicated to acquiring and nurturing talent, promoting employee well-being, and optimizing processes. Through our collective efforts, we establish a supportive and thriving work environment where employees can excel and contribute to our shared success.

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 realized, 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 materialize, 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.

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
Dr. Sunanda Rajendran, Independent Director
Mr. Shambhu Singh, Independent Director
Mr. Ashwin Parmar, Independent Director

REGISTERED OFFICE

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REGISTRAR & TRANSFER AGENT

Link Intime India Pvt Limited
C-101, 247 Park,
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Tel No: +91 22 4918 6000 Fax: +91 22 4918 6060
E-mail id: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

COMPANY SECRETARY

Ms. Shobha Shetty

AUDITORS

Vatsaraj & Co.
Chartered Accountants
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E-mail id: admin@vatsarajco.com
Website: www.vatsarajco.com

LENDERS

Bank of Baroda
ICICI Bank Ltd
Bank of India
Canara Bank
IDBI Bank Ltd
Union Bank of India
State Bank of India
Axis Bank Ltd
Standard Chartered Bank
Bank of Maharashtra
DBS Bank 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)

DEBENTURE TRUSTEES

IDBI Trusteeship Services Limited

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Tel: +91 22 4080 7000
Email: itsl@idbitrustee.com
Website: www.idbitrustee.com

Catalyst Trusteeship Limited

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Tel: +91 22 4922 0543
Email: - ComplianceCTL-Mumbai@ctltrustee.com
Website: www.catalysttrustee.com

Board's Report

To the Members of Patel Engineering Limited,

Your Directors hereby present the 74th 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, 2023:

FINANCIAL PERFORMANCE

Standalone and Consolidated

(₹ in million)

Particulars	Consolidated		Standalone	
	2022-23	2021-22	2022-23	2021-22
Total Income	43,223.24	34,965.11	39,613.97	31,647.75
Total Expenses	40,888.21	33,539.99	37,570.19	30,340.21
EBITDA	7,452.29	6,439.38	6,847.49	5,924.64
Depreciation	933.03	818.99	806.41	683.43
Finance Cost	4,184.23	4,195.27	3,997.30	3,933.67
Exceptional Item	8.14	304.94	60.78	424.14
Profit before tax	2,326.89	1,120.18	1,983.00	883.40
Tax expenses	538.87	431.43	427.36	327.98
Share in profit in associates (net)	46.79	32.23	-	-
Net Profit after tax	1,834.81	720.98	1,555.64	555.42
Other Comprehensive Income (Net)	(123.90)	(72.43)	2.89	8.49
Total comprehensive income for the year	1,710.91	648.55	1,558.53	563.91
Non controlling interest	(162.85)	(98.49)	-	-
Net Profit for owners	1,548.06	550.06	1,558.53	563.91
Earnings per equity shares ₹ (face value ₹ 1 each)				
- Basic	3.19	1.51	2.97	1.17
- Diluted	2.23	1.49	2.10	1.17

Consolidated:

The Consolidated total income for FY 2023 stood at ₹ 43,223.24 million as against ₹ 34,965.11 million for the previous year. The Net profit for the year ended March 31, 2023 was at ₹ 1,548.06 million as against Net profit of ₹ 550.06 million for the previous year.

Standalone:

On Standalone basis, the total income for FY 2023 stood at ₹ 39,613.97 million as against ₹ 31,647.75 million for the previous year. The Net Profit for the year ended March 31, 2023 was at ₹ 1,558.53 million as against Net profit of ₹ 563.91 million for the previous year.

Dividend

To conserve funds, the Directors have not recommended payment of dividend for the financial year 2022-23.

Pursuant to Regulation 43A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, 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:

- 2,39,61,525 equity Shares of the face value of ₹ 1 each were allotted to Patel Engineering Employees' Welfare Trust.
- 1,25,52,800 equity shares were allotted to AFRIN DIA (FPI Category – I) at an issue price of ₹ 25.36 each under preferential basis.
- 25,78,72,409 equity shares of the face value of ₹ 1 each were allotted on Rights Issue basis at an issue price of ₹ 12.60 each.

Consequently, as at March 31, 2023, the total paid-up share capital of the Company stood at ₹ 77,36,17,228 divided into 77,36,17,228 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 SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations").

Merger of Subsidiaries

During 2022-23, 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 was approved by the Hon'ble National Company Law Tribunal, Mumbai and Hyderabad Bench to combine business interest into one corporate entity, resulting in operational synergies, simplification, streamlining and optimization of the group structure and efficient administration.

Borrowing

The total long-term borrowings stood at ₹ 15,421.76 million as on March 31, 2023 as against ₹ 19,907.07 million as on March 31, 2022.

Subsidiaries & Associates

As on March 31, 2023, the Company has 53 subsidiaries including step down subsidiaries.

Highlights of performance of key subsidiaries/Associates

Michigan Engineers Private Limited (Michigan) having presence in urban infrastructure Projects, mostly in Mumbai, has achieved the revenue of ₹ 3,200 million and profit of ₹ 351.70 million in FY 23. It has an order book of around ₹ 20,000 million. Michigan successfully launched its TBM for the longest 2.6 meter ID segmental tunnel in India of 6.5 km and has completed more than 1 km of the tunnel by March 31, 2023.

The Company is in discussion to monetize and hive-off its stake in Michigan.

Raichur Sholapur Transmission Company Private Limited (RSTCPL) commissioned 765 kV single circuit transmission line between Raichur and Sholapur in July 2014. The stake in RSTCPL has been sold during the year under review to India Grid Trust by all the shareholders/partners of RSTCPL and the Company along with

the partners of RSTCPL got released the corporate guarantees of approximately ₹ 2,400 million given for the loan availed by RSTCPL.

Dirang Energy Private Limited (Dirang), a Special Purpose Company for development of 144MW Gongri Hydroelectric Power Project in West Kameng District in Arunachal Pradesh. In accordance with the terms of the Memorandum of Agreement dated May 18, 2007 (as amended by Amendment Agreement dated August 5, 2021) the Company has started the Arbitration proceedings in the matter against the Govt. of Arunachal Pradesh. Currently the arbitration is at the stage of evidence and the next dates are yet to be fixed, in view of a request to the arbitrator to adjourn the hearing to a later date given that the parties are engaging in discussions to settle the disputes.

Patel KNR Infrastructures Ltd and *Patel KNR Heavy Infrastructures 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) comprising of residential units of 2 BHK, 2.5 BHK and 3 BHK and one tower of serviced apartments (19 floors). The residential towers have 12 flats per floor and service apartment block have 11 units per floor. PBSR has applied for the Occupancy Certificate (OC) for Smondo Gachibowli project to Greater Hyderabad Municipal Corporation (GHMC) and started handing over of the flats to buyers. PBSR needed to handover total area to GHMC out of project land parcel, which Company have registered in GHMC's favour. However, the adjoining layout resident's association has created certain disputes in this regard, Company is in the process of resolving said disputes, post which OC shall be released.

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. The Arbitration process has been completed and the Company is expecting a favourable award for the same.

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 SEBI LODR 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/235xsrxw>.

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

All contracts/arrangement/transactions entered into by the Company during FY 23 with related parties were in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI LODR Regulations.

All related party transactions entered into during FY 23 were on an arm's length basis and in the ordinary course of business of the Company under the Act and not material under the SEBI LODR Regulations. None of the transactions required members' prior approval under the Act or the SEBI LODR Regulations.

Details of transactions with related parties during FY 23 are provided in the notes to the financial statements. There were no transactions requiring disclosure under section 134(3) of the Companies Act, 2013. Hence, the prescribed Form AOC-2 does not form a part of this report.

In accordance with the provisions of SEBI LODR 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

The Board has appointed the below mentioned Directors as Independent Directors during the year under review:

1. Dr. Sunanda Rajendran effective from March 24, 2023
2. Mr. Shambhu Singh effective from March 01, 2023

3. Mr. Ashwin Parmar effective from April 20, 2023

The appointment of the above mentioned Directors is subject to approval of members for which Postal Ballot Notice dated April 20, 2023 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 as formulated by the Company.

ii. Other Directors / Key Managerial Personnel

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

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, 2023, the Board met 10 times. The meeting of the Board of Directors of the Company were held on May 13, 2022, May 23, 2022, July 28, 2022, August 08, 2022, September 07, 2022, October 29, 2022, November 11, 2022, December 09, 2022, December 16, 2022 and February 08, 2023.

Nomination and Remuneration Policy

The Company has formulated a Nomination and Remuneration Policy pursuant to Section 178 of the Companies Act, 2013 and SEBI LODR Regulations. The salient features of the Policy is enclosed as **Annexure II** 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 SEBI LODR Regulations.

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

Internal Financial Controls and Risk Management

The Company has in place adequate internal financial control with reference to financial statement. The Company ensures operational efficiency, protection and conservation of resources, accuracy in financial reporting and compliance with laws and

regulations. The internal control system is supported by an internal audit process.

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

Audit Committee

The Audit Committee presently comprises of:

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

Mr. Rupen Patel – Chairman & Managing Director

Dr. Barendra Bhoi – Independent Director

Whistle Blower Policy

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

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

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

Corporate Social Responsibility

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

Mr. Rupen Patel – Chairman & Managing Director

Ms. Kavita Shirvaikar - Whole time Director & CFO

Mr. K. Ramasubramanian - Independent Director

The Company's 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 Act and Rule 8 of Companies (Corporate Social Responsibility Rules, 2014, the CSR Report forms part of the Board Report as **Annexure III**. The Company has initiated spending on CSR activities as detailed in the CSR Report.

Statutory Audit

M/s Vatsaraj & Co. (FRN: 111327W), the Statutory Auditors of the Company hold office until the conclusion of the 78th AGM to be held in the year 2027. Pursuant to Section 141 of the Act, the Auditors have represented that they are not disqualified and continue to be eligible to act as the Auditor of the Company.

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

Branch Audit

In accordance with the provisions of Section 139 and 143(8) of the Act, 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 FY 2022-23.

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, 2023. The Report of the Secretarial Auditor is provided as **Annexure IV** to this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remarks or disclaimer except 1 with respect to delay in prior intimation in terms of Regulation 29(3) of SEBI LODR Regulations to the stock exchanges about the meeting of the Board of Directors for considering proposal for alteration in terms of non-convertible debentures issued by the Company. The shareholders may note that the Company had given 4 days prior notice instead of 11 days as per the SEBI LODR Regulations. BSE Limited and National Stock Exchange of India Limited imposed a fine of ₹ 11,800 respectively for the said non-compliance and the Company has paid the same.

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. Rahul Jain & Associates., a firm of Cost Accountants in Practice (Registration No. 101515) 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, 2023. 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 Rahul Jain & 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 Act, read with Rule 8 (3) of the Companies (Accounts) Rules, 2014, relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings / Outgo is provided as **Annexure V** to this Report.

Annual Return

Pursuant to Section 92 and 134 of the Act, the Annual Return as at March 31, 2023 in Form MGT-7, is available on the website of the Company at the link <https://tinyurl.com/3zspdz4a>.

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 VI** to this Report.

Corporate Governance

Pursuant to SEBI LODR Regulations, the Report on Corporate Governance together with the certificate issued by M/s. Vatsaraj & Co., 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, 2023 is uploaded on the Company's website at the link <https://tinyurl.com/3dmuvhcu>.

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 Standards 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) The Company has not initiated any proceeding under the Insolvency and Bankruptcy Code, 2016 (IBC).

There are 7 proceedings initiated/pending against our Company under IBC which does not materially impact the business of the Company. Out of 7 proceedings, 3 proceedings are settled and pending for disposal and withdrawal. 4 proceedings are disputed and pending for hearing.



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, 2023;
- 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

May 15, 2023
Mumbai

Rupen Patel
Chairman & Managing Director
DIN: 00029583

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	Profit/ (Loss) before Taxation	Provision for Taxation	Profit/ (Loss) after Taxation	Proposed Dividend	Country	Investments by PCL (Directly/ Indirectly)	% of Share-holding
DIRECT SUBSIDIARIES																	
1	Friends Nirman Pvt. Ltd.	14-Jun-2010	-	INR	0.33	20.97	21.37	21.37	-	-	(0.34)	-	(0.34)	NIL	India	0.33	100.00
2	Energy Design Pvt. Ltd.	15-Jun-2009	-	INR	0.50	(70.25)	1.42	1.42	-	-	(0.13)	-	(0.13)	NIL	India	0.50	100.00
3	Shreeaant Constructions Private Limited	10-Dec-2005	-	INR	0.10	(54.92)	64.02	64.02	-	-	(7.12)	-	(7.12)	NIL	India	0.10	100.00
4	Michigan Engineers Pvt. Ltd.	1-May-1973	-	INR	17.36	1,983.84	2,999.89	2,999.89	-	3,134.42	502.14	150.42	351.73	NIL	India	0.89	51.00
5	Patel Engineering Infrastructure Ltd.	30-Jun-2006	-	INR	100.00	8.69	1,017.19	1,017.19	100.06	-	-	-	-	-	India	100.00	100.00
6	Patel Patron Pvt. Ltd.	28-Jun-2012	-	INR	140.70	53.97	195.98	195.98	193.10	208.24	20.09	5.44	14.66	NIL	India	140.70	100.00
7	Vismaya Constructions Pvt. Ltd.	21-May-2007	-	INR	55.10	53.27	109.62	109.62	102.70	267.88	42.41	10.88	31.53	NIL	India	55.10	100.00
8	Bhooma Realities Pvt. Ltd.	22-May-2007	-	INR	72.10	(145.05)	193.56	193.56	-	-	(2.97)	(0.70)	(2.27)	NIL	India	72.10	100.00
9	Shashvat Land Projects Pvt. Ltd.	21-Jun-2007	-	INR	78.80	(107.08)	335.52	335.52	-	-	(0.58)	-	(0.58)	NIL	India	78.80	100.00
10	Patel KNR Infrastructure Limited	26-Jun-2006	-	INR	370.00	112.44	2,510.12	2,510.12	625.71	429.90	(23.27)	8.41	(31.68)	NIL	India	22.20	60.00
11	Hampus Infrastructure Limited	27-Mar-2018	-	INR	0.10	(0.46)	-	-	-	-	(0.04)	-	(0.04)	NIL	India	0.10	100.00
12	Hera Realcon Pvt. Ltd.	28-Dec-2006	-	INR	0.50	(1.70)	0.11	0.11	-	-	(0.06)	-	(0.06)	NIL	India	0.50	97.13
13	PBSR Developers Pvt. Ltd.	1-Feb-2012	-	INR	0.10	(252.01)	2,639.42	2,639.42	-	1,892.37	(265.62)	(63.46)	(202.16)	NIL	India	0.10	100.00
14	Arsen Infra Pvt. Ltd.	5-Sep-2006	-	INR	0.50	1.26	21.17	21.17	5.00	-	(0.07)	-	(0.07)	NIL	India	0.50	100.00
15	Patel Energy Ltd.	17-Sep-1996	-	INR	186.45	(18.81)	1,193.42	1,193.42	-	-	-	-	-	NIL	India	186.43	99.99
16	Diang Energy Pvt. Ltd.	23-Jun-2008	-	INR	710.00	(5.73)	711.73	711.73	-	-	(0.91)	-	(0.91)	NIL	India	710.00	100.00
17	West Kameing Energy Pvt. Ltd.	26-Jun-2008	-	INR	0.10	-	225.24	225.24	-	-	-	-	-	NIL	India	0.10	100.00
18	Meyong Hydro Power Pvt. Ltd.	26-Jun-2008	-	INR	0.73	-	248.08	248.08	-	-	-	-	-	NIL	India	0.73	100.00
19	Dign Hydro Power Pvt. Ltd.	2-Jul-2008	-	INR	0.10	-	289.97	289.97	-	-	-	-	-	NIL	India	0.10	100.00
20	Saskang Rong Energy Pvt. Ltd.	19-Aug-2008	-	INR	4.78	-	229.05	229.05	-	-	-	-	-	NIL	India	4.78	100.00
21	Waterfront Developers Ltd.	18-Jan-2007	-	INR	0.16	(4.36)	1,441.16	1,441.16	0.10	-	7.88	-	7.88	NIL	Mauritius	0.16	100.00
22	Patel Engineering (Singapore) Pte Ltd.*	29-Aug-2007	-	1 USD= 82.164289 INR	194.32	(1,037.25)	248.35	248.35	133.11	-	5.61	-	5.61	NIL	Singapore	194.32	100.00
23	Patel Engineering (Mauritius) Ltd.*	18-Jan-2007	-	1 USD= 82.164289 INR	41.08	(72.35)	398.97	398.97	38.21	-	(12.43)	-	(12.43)	NIL	Mauritius	41.08	100.00
24	Patel Engineering Inc.*	30-Sep-1999	-	1 USD= 82.164289 INR	695.71	(605.04)	90.67	90.67	1.30	-	-	-	-	NIL	USA	695.71	100.00
25	Patel Engineering Lanka (Pvt.) Ltd.*	16-Jan-2012	-	1 LKR= 0.249675 INR	11.90	(7.69)	27.81	27.81	2.74	-	(0.02)	-	(0.02)	NIL	Sri Lanka	11.90	100.00
SUBSIDIARY OF PATEL PATRON PVT. LTD. & ASSOCIATE OF VISMAYA CONSTRUCTIONS PVT. LTD																	
26	Pandora Infra Pvt. Ltd.	28-Jun-2012	-	INR	365.80	(270.38)	470.24	470.24	-	-	(1.16)	-	(1.16)	NIL	India	365.80	100.00
SUBSIDIARY OF ARSEN INFRA PVT. LTD.																	
27	Lucina Realtors Pvt. Ltd.	30-Dec-2006	-	INR	5.50	(0.38)	5.15	5.15	4.35	-	(0.09)	-	(0.09)	NIL	India	0.50	9.09
SUBSIDIARY OF WATERFRONT DEVELOPERS LTD																	
28	Les Salines Development Ltd.*	28-Mar-2008	-	INR	0.13	(629.18)	979.94	979.94	0.00	-	31.08	-	31.08	NIL	Mauritius	0.13	100.00
SUBSIDIARY OF LES SALINES DEVELOPMENT LIMITED																	
29	La Bourgade Development Ltd.*	14-Jul-2008	-	INR	0.00	(3.05)	0.05	0.05	-	-	(0.26)	-	(0.26)	NIL	Mauritius	0.00	100.00
30	Ville Magnifique Development Ltd.*	14-Jul-2008	-	INR	0.00	(2.84)	0.00	0.00	-	-	(0.25)	-	(0.25)	NIL	Mauritius	0.00	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
31	Sur La Plage Development Ltd.*	18-Jul-2008	-	INR	0.00	(3.01)	0.00	0.00	-	(0.25)	-	(0.25)	NIL	Mauritius	0.00	100.00
SUBSIDIARIES OF PATEL ENGINEERING (SINGAPORE) PTE LTD.																
32	Patel Surya (Singapore) Pte Ltd.*	10-Dec-2007	-	1 USD= 82.164289 INR	82.16	(82.16)	-	-	-	-	-	-	NIL	Singapore	49.30	60.00
33	PT Patel Surya Jaya *	10-Oct-2008	-	1 IDR = 0.0054600 INR	14.98	(130.82)	900.32	900.32	-	(19.70)	-	(19.70)	NIL	Indonesia	8.99	60.00
34	PT Patel Surya Minerals *	12-Nov-2008	-	1 IDR = 0.0054600 INR	14.96	71.38	232.43	232.43	-	(1.10)	-	(1.10)	NIL	Indonesia	8.97	60.00
35	PT Suprat Geo Minerals *	7-Apr-2011	-	1 IDR = 0.0054600 INR	30.12	(30.35)	0.30	0.30	-	(0.01)	-	(0.01)	NIL	Indonesia	18.07	60.00
36	PT PEL Minerals Resources *	3-Feb-2009	-	1 USD= 82.164289 INR	15.86	(39.52)	43.32	43.32	31.41	0.19	-	0.19	NIL	Indonesia	15.86	100.00
SUBSIDIARY OF PATEL SURYA (SINGAPORE) PTE LTD																
37	PT Surya Geo Minerals *	23-May-2011	-	1 IDR = 0.0054600 INR	30.12	155.38	265.60	265.60	-	8.31	-	8.31	NIL	Indonesia	18.07	60.00
SUBSIDIARY OF PT PEL MINERAL RESOURCES																
38	PT Patel Engineering Indonesia *	23-May-2011	-	1 IDR = 0.0054600 INR	30.12	(14.35)	434.37	434.37	-	(1.81)	-	(1.81)	NIL	Indonesia	30.12	100.00
SUBSIDIARY OF PATEL ENGINEERING (MAURITIUS) LTD																
39	Patel Mining (Mauritius) Ltd.*	12-Jun-2008	-	1 USD= 82.164289 INR	38.21	(245.03)	136.55	136.55	221.20	(0.19)	-	(0.19)	NIL	Mauritius	38.21	100.00
SUBSIDIARY OF PATEL MINING (MAURITIUS) LTD																
40	Acoord Mines Venture Lda *	7-Jul-2007	-	1 MZN = 1.27449 INR	0.03	(15.76)	-	-	-	-	-	-	NIL	Mozambique	0.03	100.00
41	Patel Assignment Mozambique, Lda *	7-Jul-2007	-	1 MZN = 1.27449 INR	0.03	(2.41)	13.17	13.17	-	-	-	-	NIL	Mozambique	0.03	100.00
42	Chivarrro Mines Mozambique Lda *	7-Jul-2007	-	1 MZN = 1.27449 INR	0.03	(3.88)	-	-	-	-	-	-	NIL	Mozambique	0.03	100.00
43	Enrich Mining Vision Lda *	7-Jul-2007	-	1 MZN = 1.27449 INR	0.03	(25.33)	-	-	-	-	-	-	NIL	Mozambique	0.03	100.00
44	Fortune Mines Concession Lda *	7-Jul-2007	-	1 MZN = 1.27449 INR	0.03	(39.92)	2.91	2.91	-	-	-	-	NIL	Mozambique	0.03	100.00
45	Metaline Mines Works Lda *	7-Jul-2007	-	1 MZN = 1.27449 INR	0.03	(14.81)	0.08	0.08	-	-	-	-	NIL	Mozambique	0.03	100.00
46	Netcore Mining Operations Lda *	7-Jul-2007	-	1 MZN = 1.27449 INR	0.03	(1.94)	0.28	0.28	-	-	-	-	NIL	Mozambique	0.03	100.00
47	Omini Mines Enterprises Lda *	7-Jul-2007	-	1 MZN = 1.27449 INR	0.03	(2.26)	0.39	0.39	-	-	-	-	NIL	Mozambique	0.03	100.00
48	Patel Infrastructure, Lda *	7-Jul-2007	-	1 MZN = 1.27449 INR	0.03	(17.69)	-	-	-	-	-	-	NIL	Mozambique	0.03	100.00
49	Patel Mining Privilege, Lda *	7-Jul-2007	-	1 MZN = 1.27449 INR	0.03	(10.20)	208.98	208.98	-	(0.00)	-	(0.00)	NIL	Mozambique	0.03	100.00
50	Quest Mining Activities, Lda*	7-Jul-2007	-	1 MZN = 1.27449 INR	0.03	(2.64)	0.00	0.00	-	-	-	-	NIL	Mozambique	0.03	100.00
51	Trend Mining Projects Lda*	7-Jul-2007	-	1 MZN = 1.27449 INR	0.03	(17.30)	-	-	-	-	-	-	NIL	Mozambique	0.03	100.00
SUBSIDIARY OF PATEL ENGINEERING INC.																
52	ASI Global LLC*	15-Aug-2009	-	1 USD= 82.164289 INR	-	(0.84)	0.84	0.84	0.66	-	-	-	NIL	USA	-	-

* Financial information is based on unaudited results

Note

- 1 the Financial year for all the subsidiaries is March 31
- 2 proposed dividend from any of the subsidiaries is nil
- 3 ASI Constructors Inc have not been considered in the above Table as the same have not been consolidated as per Ind AS-110
1 USD = 82.164289 INR
1 LKR = 0.249675 INR
1 MZN = 1.27449 INR
1 IDR = 0.0054600 INR

PART B: ASSOCIATES AND JOINT VENTURES

₹ in Million

NAME OF ASSOCIATES AND JOINT VENTURES	JOINT VENTURES																		
	Bellona Estate Developers Ltd.	Hifodi Infrastructure Pvt. Ltd.	ACP Tollways Pvt. Ltd.	Age Patel JV	Patel Michigan JV	Patel SEW JV	Patel Aavantika-Deepika-BHEL Consortium	Patel - Marks - Precision	Patel - Varkis - JV	Patel - Cico Patel JV	Patel KNIR JV	Patel KNIR JV	Patel Advance JV**	Patel Apco JV**	Patel Soma JV**	Patel - UEPL JV	Patel - PEL Gond JV	Patel Parbati JV	
1. Latest Audited Balance Sheet Date	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	
2. Date on which the Associate or Joint Venture was associated or acquired	30-Dec-06	14-Jun-17	5-Dec-11	31-Mar-16	12-Jul-06	23-Jan-08	30-Sep-08	18-Dec-08	6-Dec-07	27-Mar-13	12-Jun-01	6-Jan-01	10-Jul-06	4-Dec-12	25-Feb-05	20-Apr-17	10-Dec-14	13-Nov-18	30-Apr-19
3. Shares of Associate or Joint Ventures held by the company on the year end:	250,000	24,019,600	8,495,040	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount of Investment in Associates or Joint Venture (₹ in Millions)	2.5	240.196	84.95	(139.73)	2.61	743.58	167.6	1.01	1.79	69.05	(59.44)	110.63	0.43	-	126.99	(4.22)	0.40	(0.05)	
Extent of Holding (in percentage)	49.00%	49.00%	32%	49%	10%	60%	52.83%	60%	65%	99.90%	50%	49%	30%	50%	50%	51%	60%	45%	52%
4. Description of how there is significant influence	since Shareholding is more than 20%	since Shareholding is more than 20%	since Shareholding is more than 20%	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control
5. Reason why the associate/joint venture is not consolidated	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
6. Networth attributable to shareholding as per latest audited Balance Sheet	(176.64)	(8,158.04)	1,743.00	(139.73)	2.61	743.58	167.6	1.01	1.79	69.05	(59.44)	110.63	0.43	-	126.99	(4.22)	0.40	(0.05)	
7. Profit or Loss for the year: (₹i)	534.44	(1,201.11)	53.79	1.74	0.80	62.28	0.13	(0.10)	(0.10)	(0.29)	121.27	(12.12)	-	-	-	3.01	0.19	(0.01)	(0.00)
i. Considered in Consolidation	-	(1,201.11)	53.79	1.74	0.80	62.28	0.13	(0.10)	(0.10)	(0.29)	121.27	(12.12)	-	-	-	3.01	0.19	(0.01)	(0.00)
ii. Not Considered in Consolidation	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A

NAME OF ASSOCIATES AND JOINT VENTURES		JOINT VENTURES															
HES Suthaliya JV	NEC PEL JV	Era Patel Advance Ktran JV**	Onycon Enterprise	Patel Siddhivinyak JV**	Patel VI JV	Patel RBG JV	Patel SA JV**	PEL ISC Prathamesh JV	ISC Projects PEL JV	Patel -Chvet-Chaitra Micro(KA) JV**	Ceigall - PEL (JV)**	VRRPL- PEL JV	Mokhabardi Micro Irrigation Project JV**	DK JV LLP PEL-PC JV	Patel Raman JV#	Patel Cvet JV for TBC Pck - III#	Patel Cvet JV for TBC Pck - IV#
31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23
30-Apr-19	7-Nov-19	4-Jan-07	1-Oct-18	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	11-Aug-22	13-Sep-22	15-Feb-23	4-Feb-23
No.																	
Amount of Investment in Associates or Joint Venture (₹ in Millions)	(0.04)	2.47	1.61	8.13	0.77	(2.45)	(0.01)	0.15	0.04	-	-	-	-	0.05	-	-	-
Extent of Holding (in percentage)	45%	45%	47.06%	60%	51%	51%	75%	50%	49%	51%	40%	51%	51%	51%	80%	35%	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	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control
5. Reason why the associate/joint venture is not consolidated	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
6. Networth attributable to shareholders as per latest audited Balance Sheet	(0.04)	2.47	1.61	8.13	0.77	(2.45)	(0.01)	0.15	0.04	-	-	-	-	-	-	-	-
7. Profit or Loss for the year (i+ii)	(0.00)	(2.31)	-	(0.39)	-	0.24	-	0.15	0.04	-	-	-	-	(0.00)	(0.02)	-	-
i. Considered in Consolidation	(0.00)	(2.31)	-	(0.39)	-	0.24	-	0.15	0.04	-	-	-	-	-	-	-	-
ii. Not Considered in Consolidation	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A

** Financial information is based on unaudited results

Not Commenced

Annexure II

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 III

Annual report on Corporate Social Responsibility (CSR) for the financial year 2022-23

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 2022-23, 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 2022-23 are local area development in and around the project site through Animal Welfare works, providing clean drinking water to schools, aid to school by installation of CCTV Camera, distribution of books, construction of sanitization, extending support towards medical, health care and infrastructure services etc.

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	04	04
2	Mr. Rupen Patel	Chairman & Managing Director	04	02
3	Ms. Kavita Shirvaikar	Whole time Director & CFO	04	04

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/4vmhan9x>

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.	2022-23	1,11,30,637	NIL

6. Average net profit of the Company as per section 135(5): ₹ -23.72 Million

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

(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): NIL

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.
1,57,99,882	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 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						
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 millions)	Mode of implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
As mentioned under in Annexure III(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): ₹ 1,57,99,882

(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)	NIL
(ii)	Total amount spent for the Financial Year	15.79
(iii)	Excess amount spent for the financial year [(ii)-(i)]	15.79
(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)]	15.79

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

(₹ In Millions)

Sl. No.	Particular	1	2	3	Total
1	Preceding Financial Year.	2021-22	2020-21	2019-20	Total
2	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Nil	Nil	Nil	Nil
3	Amount spent in the reporting Financial Year (in ₹)	15.79	17.95	98.86	132.60
4	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.	Nil	Nil	Nil	Nil
	Name of the Fund				
	Amount (in ₹)				
	Date of transfer				
5	Amount remaining to be spent in succeeding financial years. (in ₹)	Nil	Nil	Nil	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.	
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not Applicable
(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

May 15, 2023
Mumbai

Sd/-

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

Annexure III(a) - CSR Spending for the financial year 2022-23

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	USBRL Project T-2								
i	Animal Welfare works	iv	Yes	Reasi, Jammu & Kashmir	747,915	Yes	NA	NA	NA
	Total (I)				747,915				
II	Luhri Hydro Electric Project, Stage-1								
i	Eye Check Up Camp	i	Yes	Shimla & Kullu, Himachal Pradesh	291,262	Yes	NA	NA	NA
ii	Providing drinking Water Cooler along with accessories for Govt. School	i	Yes	Shimla & Kullu, Himachal Pradesh	100,936	Yes	NA	NA	NA
iii	Distribution of Corona Kits (Masks) in Govt. School	i	Yes	Shimla & Kullu, Himachal Pradesh	18,000	Yes	NA	NA	NA
iv	Blood Donation Camp	i	Yes	Shimla & Kullu, Himachal Pradesh	171,514	Yes	NA	NA	NA
v	Distribution of books in Govt. School	ii	Yes	Shimla & Kullu, Himachal Pradesh	82,236	Yes	NA	NA	NA
vi	Construction of toilet in Govt. School	i	Yes	Shimla & Kullu, Himachal Pradesh	125,000	Yes	NA	NA	NA
	Total (II)				788,948				
III	Kiru HEP								
i	To provide ambulance for local villagers	i	Yes	Kishtwar, Jammu & Kashmir	1,156,919	Yes	NA	NA	NA
ii	To provide bus services for local villagers	ii	Yes	Kishtwar, Jammu & Kashmir	2,418,737	Yes	NA	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.
Total (III)					3,575,656			
IV	USBRL T15							
i	Sprinkling of water on road and supply drinking water to local public near Project site	i	Yes	Ramban, Jammu & Kashmir	5,377,130	Yes	NA	NA
ii	Ambulance Service for local people near Project site	i	Yes	Ramban, Jammu & Kashmir	1,311,686	Yes	NA	NA
iii	Bus Service for local people	ii	Yes	Ramban, Jammu & Kashmir	2,056,108	Yes	NA	NA
iv	Computer & Printer To Government School	ii	Yes	Ramban, Jammu & Kashmir	51,695	Yes	NA	NA
Total (IV)					8,796,618			
V	Kundah Pumped Storage Hydroelectric Project							
i	Providing furniture for office rooms & Closed Circuit Television for Government School for security purpose		Yes	Nilgiri, Tamil Nadu	90,745	Yes	NA	NA
Total (V)					90,745			
VI	Financial assistance for Sports Education							
i	To promote rural sports/ nationally recognised sports/olympic sport	vii	Yes	Navi Mumbai, Maharashtra	1,800,000	Yes	NA	NA
Total (VI)					1,800,000			
VII	Sewing & Carpet centre							
		ii	Yes	Leh, Ladakh	400,000	No	Ladakh Phandey Tsogspa	CSR00040278
Total (VII)					400,000			
VIII	Water Sanitation Health & Hygiene							
		i	Yes	Hyderabad	1,000,000	No	Sreshth Foundation	CSR00048714
Total (VIII)					1,000,000			
TOTAL (I+II+III+IV+V+VI+VII+VIII)					17,199,882			
TOTAL SPENT					15,799,882			

SECRETARIAL AUDIT REPORT For the Financial Year ended March 31, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 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.

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, 2023 (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 31st March, 2023 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 Overseas Direct Investment (**Foreign Direct Investment and External Commercial Borrowings are 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 and Sweat Equity) Regulations, 2021;
 - (e) 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, 2021; (**Not Applicable to the Company during the Audit Period**);
 - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018. ('Buy-back Regulations'); (**Not Applicable to the Company during the Audit Period**); and
 - (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

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. ('Listing Regulations')

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 etc. mentioned above except in *one instance, there was delay in prior intimation in terms of Regulation 29(3) of Listing Regulation to the stock exchanges about the meeting of the Board of Directors for considering proposal for alteration in terms of non-Convertible debentures issued by the Company. Further, BSE Limited and National Stock Exchange of India Limited imposed fine of ₹ 11,800 respectively for the said non-compliance and Company has paid the same.*

Further, we have relied upon the opinion taken from Crawford Bayley & Co. w.r.t. compliance of Sec. 42(6) of Companies Act, 2013 referring to circular issued by the Reserve Bank of India bearing no. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/202021 dated August 6, 2020.

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 audit period 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 (except few meetings were convened

at a shorter notice for which necessary approvals obtained as per applicable provisions), 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 passed shareholder resolution for extending the benefits of Patel Engineering Employees' Stock Option Plan 2007 to the employees of the Subsidiaries and/or Associates Company;

The Company has issued and allotted 239,61,525 Equity Shares to Patel Engineering Employees' Welfare Trust;

The Company has issued and allotted 1,57,72,870 Equity Shares through preferential issue to Foreign Portfolio Investor;

The Company has received an order of Hon'ble NCLT Mumbai Bench for amalgamation of 14 wholly Owned Subsidiary into the Company; and

The Company has issued and allotted 25,78,72,409 Equity Shares through Right Issue.

For **MMJB & Associates LLP**
Company Secretaries

Deepti Joshi
Designated Partner
FCS: 8167
CP: 8968

Date: May 15, 2023
Place: Mumbai

PR: 2826/2022
UDIN: F008167E000311503

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



Annexure A

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

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

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.

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.

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

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.

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 & Associates LLP**
Company Secretaries

Deepti Joshi
Designated Partner

FCS: 8167

CP: 8968

PR: 2826/2022

UDIN: F008167E000311503

Date: May 15, 2023

Place: Mumbai

Annexure V

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

Information as per section 134 read with Rule 8 of the Companies (Accounts) Rules, 2014 for the financial year ended March 31, 2023.

(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 & use through Variable Frequency 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 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 slip-form shutters for construction of large piers to improve the speed of construction.
- 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 ₹ 3.86 million (previous year ₹ 10.69 million) and ₹ 216.60 million (previous year ₹ 318.98 million) respectively.

Annexure VI

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 is as under:

Sr. No.	Disclosure Requirement	Disclosure details		
1	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.	Directors	Title	Ratio
		Mr. Rupen Patel	Managing Director	66.96
		Mr. Sunil Sapre	Whole Time Director	21.55
		Ms. Kavita Shirvaikar	Whole Time Director & CFO	34.46
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	Managing Director	51%
		Mr. Sunil Sapre	Whole Time Director	7%
		Ms. Kavita Shirvaikar	Whole Time Director & CFO	2%
3	Percentage increase in the median remuneration of employees in the financial year.	Ms. Shobha Shetty	Company Secretary	21%
		2.95%		
4	Number of permanent employees on the rolls of the Company at the end of the year.	4,426 as on March 31, 2023		
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	While the increase in Directors' remuneration for 2022-23 over 2021-22 is 24.75%, the corresponding average remuneration increase for other employee's is 2.95%		
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, 2023, the Board comprised of 7 Directors out of which 4 were independent Directors. This is in conformity with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and the Companies Act, 2013 ('the Act').
- The names and categories of the Directors on the Board, their attendance at Board meetings held during the FY 2022-23 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, 2023 are as under:

Name and DIN of the Directors	Category of Director	No. of Board Meetings		Attendance at the last AGM held on August 26, 2022	No. of directorships in other Companies	Name of other listed entities where directorship held	*Committee Positions	
		Held	Attended				Chairman	Member
Mr. Rupen Patel CMD (DIN 00029583)	Executive (Promoter)	10	8	Yes	7	Nil	Nil	Nil
Mr. Kuppusubramanian Ramasubramanian (DIN 01623890)	Independent Non - Executive	10	10	Yes	3	1. Patel KNR Infrastructures Limited	Nil	3
Ms. Kavita Shirvaikar (DIN: 07737376)	Executive	10	10	Yes	8	1. Patel KNR Infrastructures Limited 2. Patel KNR Heavy Infrastructures Limited	Nil	3
Mr. Sunil Sapre (DIN: 05356483)	Executive	10	9	Yes	4	Nil	Nil	Nil
Dr. Barendra Kumar Bhoi (DIN: 08197173)	Independent Non - Executive	10	9	Yes	1	Nil	Nil	Nil
Dr. Sunanda Rajendran (DIN: 00381885)	Independent Non-executive	10	8	Yes	3	Nil	Nil	Nil
**Mr. Shambhu Singh (DIN: 01219193)	Independent Non-executive	10	NA	NA	3	1. C.E. Info Systems Limited	1	2

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

**Mr. Shambhu Singh was appointed as an Additional Independent Director with effect from March 01, 2023.

- The Board met 10 times during the FY 2022-23 i.e. on May 13, 2022; May 23, 2022, July 28, 2022; August 08, 2022; September 07, 2022; October 29, 2022; November 11, 2022; December 09, 2022; December 16, 2022 and February 08, 2023.
 - None of Directors listed above are related to each other.
 - 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, 2023.
 - 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/2x75jxmf>
 - Based on the declarations received from the Independent Directors, the Board has confirmed that they meet the criteria of Independence as prescribed under the SEBI 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 by the Board / Ministry of Corporate Affairs or any such statutory authority.
 - Board Skill Matrix
- The Board has 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, assess and manage risks and crises and bench mark global practices.
2.	Functional Expertise	Should possess ability to obtain, analyse, interpret and use data/information effectively to develop plans and take appropriate decisions with respect to interpretation of financial statements and accounts in order to assess the financial health of an organization; build operational excellence by constantly focusing on upgrading methods, technology, costs, quality. Monitor/review performance for better results and focus on a culture for zero tolerance; maximize technology usage to create robust processes, minimize ambiguity & encourage inter-dependence and seamless working across departments and assess the costs & risks involved with regard to existing & potential business proposition, while evaluating the sources of finance available to an organisation vis-à-vis their related merits and risks
3.	Behavioural Competencies	Should display highest standards of values & personal conduct, ability to assume ownership & accountability for own performance, working effectively, respectfully & inclusively with people from different backgrounds with different perspectives, while remaining calm & optimistic even under adverse circumstances & taking tough decisions when necessary.

Sr. No.	Experience / Expertise / Attribute	Comments
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
Mr. Rupen Patel	✓	✓	✓	✓	✓	✓
Ms. Kavita Shirvaikar	✓	✓	✓	✓	✓	✓
Mr. Sunil Sapre	✓	✓	✓	✓	✓	✓
Mr. K. Ramasubramanian	✓	✓	✓	✓	✓	✓
Dr. Barendra Bhoi	✓	✓	✓	✓	✓	✓
Dr. Sunanda Rajendran	✓	✓	✓	✓	✓	✓
Mr. Shambhu Singh	✓	✓	✓	✓	✓	✓

(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 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 issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;
- To review and monitor the auditor's independence, performance and effectiveness of audit process;
- 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 establish a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- To review with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- To discuss with internal auditors of any significant findings and follow up there on;
- 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 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 look into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of whistle blower mechanism;
- 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 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 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 consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamations etc. on the Company and its shareholders

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

Composition and Name of members	Number of meetings during the FY 2022-23	
	Held	Attended
Mr. K. Ramasubramanian, Chairman	6	6
Mr. Rupen Patel	6	5
Dr. Barendra Kumar Bhoi	6	6

The Chairman of the Audit Committee was present at the last Annual General Meeting (AGM) held on August 26, 2022.

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 6 times during the FY 2022-23 i.e. on May 23, 2022, July 28, 2022, August 08, 2022, October 29, 2022, November 11, 2022 and February 08, 2023. 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 during the FY 2022-23	
	Held	Attended
Mr. K Ramasubramanian, Chairman	2	2
Mr. Rupen Patel	2	2
Dr. Barendra Kumar Bhoi	2	1

The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting (AGM) held on August 26, 2022.

(c) Nomination and Remuneration Committee Meetings during the FY 2022-23

The Nomination and Remuneration Committee met twice during the FY 2022-23 i.e. on November 11, 2022 and February 08, 2023. The necessary quorum was present for both 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.

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

- There is no pecuniary relationship or transaction of the non-executive director's vis-à-vis the listed entity.
- 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 FY 2022-23 are as under:

Name	Sitting fees (₹ In millions)
Mr. K. Ramasubramanian	1.075
Dr. Barendra Kumar Bhoi	0.750
Dr. Sunanda Rajendran	0.400
Mr. Shambhu Singh	N.A.

(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 millions)

	Mr. Rupen Patel, Chairman & Managing Director	Ms. Kavita Shirvaikar, Executive Director	Mr. Sunil Sapre, Executive Director
Salary	33.42	16.47	12.57
Perquisites	8.83	5.28	1.02
Total (Gross Salary)	42.25	21.74	13.60
Service Contract	01-04-2019 to 31-03-2024	01-04-2022 to 31-03-2027	01-04-2022 to 31-03-2027
Notice Period	3 months	3 months	3 months
Option exercised during the year	NA	-	-

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, 2023 is as under:

Name	Designation	Number of equity shares	% of the paid up capital
Mr. Rupen Patel	Chairman & Managing Director	30,785,933	3.98
Mr. K Ramasubramanian	Independent Director	-	-
Ms. Kavita Shirvaikar	Whole time Director & CFO	2,88,180	0.04
Mr. Sunil Sapre	Whole time Director	-	-
Dr. Barendra Kumar Bhoi	Independent Director	-	-
Dr. Sunanda Rajendran	Independent Director	-	-
Mr. Shambhu Singh	Independent Director	-	-

(6) Stakeholders' Relationship Committee:

- The Stakeholder's Relationship Committee met once during the financial year i.e. on May 23, 2022.
- Mr. K. Ramasubramanian, the Independent Non-executive Director chairs this Committee. Other Members being Ms. Kavita Shirvaikar and Mr. Sunil Sapre, Executive Directors.
- Ms. Shobha Shetty is the Company Secretary and Compliance officer of the Company.
- Based on the report received from Link Intime India Private Limited, the Registrar & Share Transfer Agent, the Company has received 7 complaints during the year ended March 31, 2023 and the same have been resolved.
- Number of complaints not solved to the satisfaction of shareholders: Nil
- Number of pending complaints - Nil

(7) Risk Management Committee (RMC)

(a) Terms of Reference of RMC

- 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 twice during the FY 2022-23 i.e. on May 23, 2022 and November 10, 2022. The necessary quorum was present for both the meetings of the Committee.

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

(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
2019-20	September 28, 2020	11.30 am	Annual General Meeting held through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")
2020-21	September 15, 2021	11.30 am	
2021-22	August 26, 2022	11.30 am	

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

- i. 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
- ii. AGM on September 15, 2021
 - 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
 - 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
- iii. AGM on August 26, 2022
- Issue and allot upto 1,57,72,870 Equity Shares on Preferential Basis to Foreign Portfolio Investor (FPI)
 - Raising of Funds
- (c) Company has passed Resolutions through Postal Ballot on June 19, 2022 vide notice dated May 13, 2022 for approving following Special Resolutions:
- i. Appointment of Ms. Sunanda Rajendran (DIN: 00381885) as an Independent Director
 - ii. Issue of Equity Shares to Patel Engineering Employees Welfare Trust
 - iii. Extending the benefits of Patel Engineering Employees' Stock Option Plan 2007 to the employees of the Subsidiaries and / or Associates
 - iv. Scheme for provision of loan by the Company for purchase of its own shares by the Trust / Trustees for the benefit of Employees under Patel Engineering Employees' Stock Option Plan 2007
 - v. Extension of Patel Engineering Employees' Stock Option Plan 2007 and amendment to the said Plan
- (d) The Company follows the procedure as prescribed under the Companies Act, 2013, the Rules framed thereunder and other applicable statutes, if any, for conducting the postal ballot.

(9) Means of communication:

- (a) The quarterly/annual financial results are regularly submitted to the Stock Exchanges in accordance with the SEBI Listing Regulations.
- (b) The said financials results are published in Financial Express/ Business Standard in English Language, in Navshakti/Sakal in Marathi Language and Mumbai Samachar in Gujarati 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, September 8, 2023 at 11.30 am through Video Conferencing (“VC”) / other Audio Visual Means (“OAVM”)
- (b) Financial year: April 1, 2022 to March 31, 2023
- (c) Dividend payment date: NA
- (d) The Equity Shares (ISIN: INE244B01030) of the Company are listed on following Stock Exchanges:

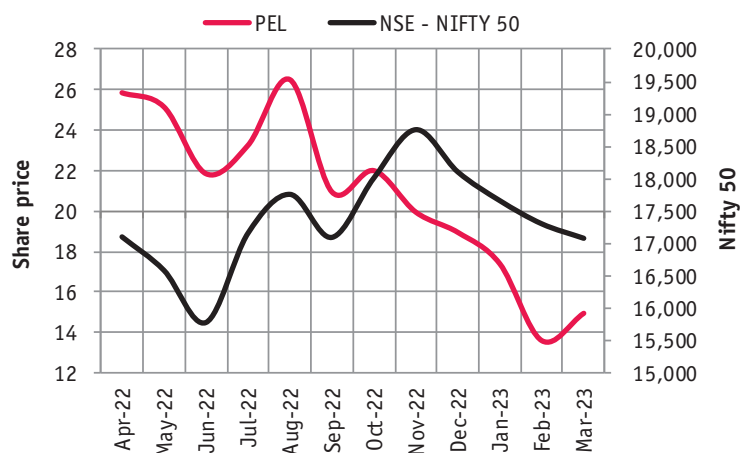
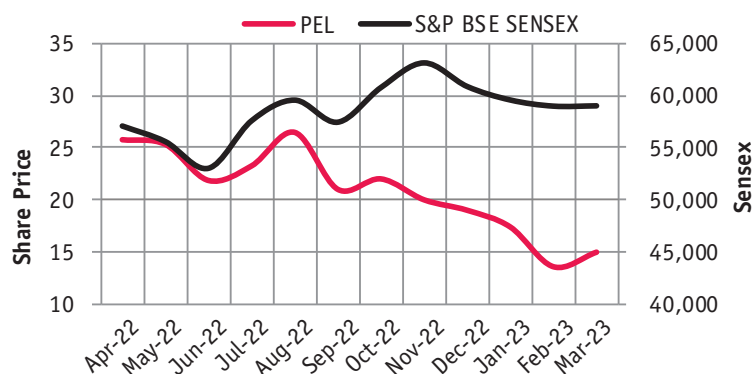
Name of the Stock Exchange	Address of the Stock Exchange	Stock codes (Equity Shares): Trading Symbol
BSE Limited (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	531120
National Stock Exchange of India Limited (NSE)	Exchange Plaza, C-1, Block G, BandraKurla Complex, Bandra (E), Mumbai 400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

The Company confirms payment of annual listing fees to these Stock Exchanges for the financial year 2023-24.

(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 2022-2023 on BSE and NSE are under :

Month	BSE			NSE		
	High (₹)	Low (Rs.)	Total No. of Shares Traded	High (₹)	Low (₹)	Total No. of Shares Traded
Apr-22	29.45	25.10	35,42,878	29.50	24.80	2,07,70,654
May-22	28.10	20.75	46,46,774	28.15	20.75	2,43,57,544
Jun-22	26.90	19.70	26,75,116	26.80	19.35	1,51,61,189
Jul-22	24.35	20.55	18,68,737	24.20	20.25	1,20,19,387
Aug-22	29.30	23.15	54,03,665	29.40	23.50	4,86,50,244
Sep-22	27.90	20.90	1,81,40,703	28.00	20.85	5,89,04,306
Oct-22	23.50	20.75	39,95,913	23.60	20.75	1,90,94,574
Nov-22	22.90	19.90	76,94,182	23.00	19.80	4,14,74,777
Dec-22	22.20	17.35	1,87,98,555	22.20	17.30	7,47,96,028
Jan-23	20.00	16.45	31,74,705	19.80	16.50	1,59,46,825
Feb-23	18.80	13.10	89,56,687	18.40	13.15	5,60,09,266
Mar-23	19.03	13.58	2,14,20,198	19.05	13.60	14,08,03,574

(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 SEBI 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.

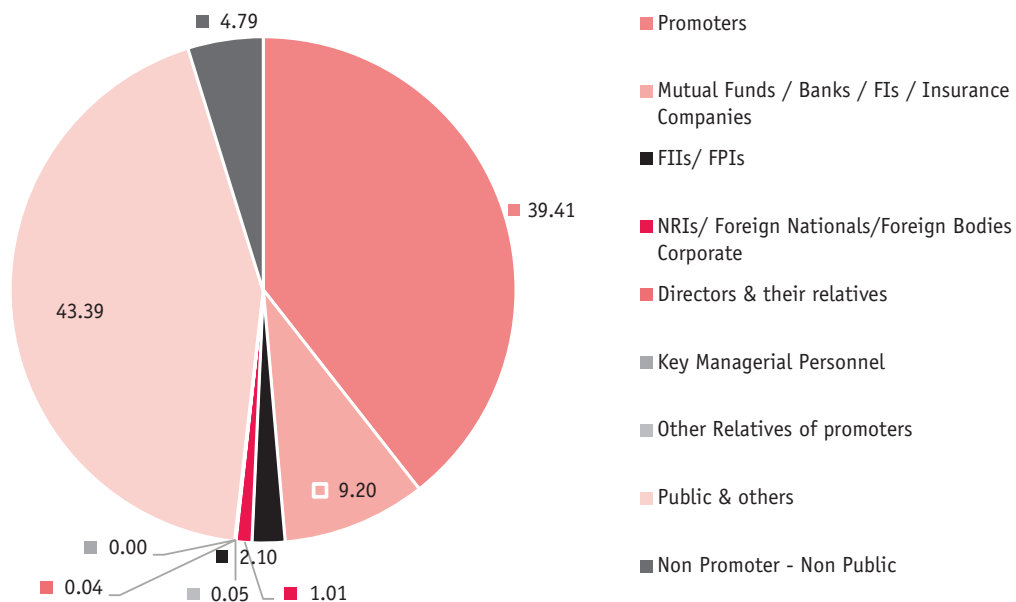
(i) **Distribution of shareholding as on March 31, 2023:**

No. of shares	No. of Shareholders	% of Shareholders	Number of Shares held	% to Shares held
1-500	83,789	68.38	1,19,03,990	1.54
501-1000	14,384	11.74	1,22,39,766	1.58
1001-2000	9,468	7.73	1,49,85,514	1.94
2001-3000	4,133	3.37	1,08,04,862	1.40
3001-4000	1,990	1.62	72,54,209	0.94
4001-5000	1,939	1.58	92,73,915	1.20
5001-10000	3,312	2.70	2,55,50,143	3.30
Above 10001	3,506	2.86	68,16,04,829	88.11
Grand Total	1,22,521	100	77,36,17,228	100

Shareholding Pattern as on March 31, 2023

Category	No. of shares	% of Total Holding
Promoters	30,49,17,712	39.41
Mutual Funds / Banks / FIs / Insurance Companies / NBFCs	7,11,88,875	9.20
FII's/ FPI's	1,62,48,797	2.10
NRI's/ Foreign Nationals/Foreign Bodies Corporate	78,39,635	1.01
Directors & their relatives (excluding independent directors & nominee directors)	2,88,180	0.04
Key Managerial Personnel	7,000	0.00
Relatives of promoters (other than "Immediate relatives" of promoters disclosed under Promoter and Promoter Group category)	3,91,300	0.05
Public & others	33,56,41,489	43.39
Non Promoter - Non Public	3,70,94,240	4.79
GRAND TOTAL	77,36,17,228	100

Categories of Shareholding



(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 99.94% of the Company's share capital are dematerialized as on March 31, 2023.

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

(k) The Company has not issued GDRs/ADRs/Warrants during the year. Company has made following allotment of Equity shares during FY 2022-23:

- i) On July 25, 2022, 2,39,61,525 Equity shares were allotted to Patel Engineering Employees' Welfare Trust pursuant to Patel Engineering Employee Stock Option Plan 2007 (ESOP Plan 2007)
- ii) On September 09, 2022, 1,25,52,800 Equity shares were allotted to AFRIN DIA, (FPI - Category 1) through Preferential issue.

iii) On March 03, 2023, 25,78,72,409 Equity Shares were allotted pursuant to Rights Issue.

(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:

<p>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</p>	<p>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</p>
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- (o) **Credit ratings** : The credit ratings obtained by the Company during FY 2022-23 are as under:

Rating agency	Instruments	Date of revision (if any)	Revised Rating
Acuite Ratings & Research Limited	long term Bank facilities	May 19, 2022	ACUITE BBB-
	short term bank facilities		ACUITE A3
	long term Bank facilities	December 02, 2022	ACUITE BBB
	short term bank facilities		ACUITE A3+
Infomerics Rating	long term Bank facilities	September 02, 2022	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:

- 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.
- The Company has received notice from BSE Limited and National Stock Exchange of India Limited, w.r.t. non-compliance of Regulation 29(3) of Listing Regulation and a fine of ₹ 11,800 was charged individually by both the exchanges. The Company has paid the said fine in terms SEBI SOP Circular dated January 22, 2020
- 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.
- The Company has implemented the mandatory requirements of Corporate Governance as set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- There have been no instances where the Board has not accepted recommendation of any Committee of the Board during the financial year.
- The Material subsidiaries policy weblink: <https://tinyurl.com/235xsrwx>

- (g) The related party policy web link: <https://tinyurl.com/2p94jfyw>
- (h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):
- The Company on September 09, 2022 allotted 1,25,52,800 equity shares on preferential basis and raised ₹ 31,83,39,008.
- The objects of the preferential issue of ₹ 31,83,39,008 as stated in the notice of Annual General Meeting dated July 28, 2022 was for meeting the (a) Working capital (b) service of debt obligations of the Company and for other general corporate purposes.
- The proceeds have been fully utilized for the objects for which it was raised.
- (i) During the year ended March 31, 2023, a total fees for all services paid by Company on a consolidated basis to the statutory auditor of the Company is ₹ 74,69,256. No service has been provided by M/s. Vatsaraj & Co., 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.
- (j) The Company has Policy on Sexual Harassment at Workplace. During the year, the Company has not received any complaint under the policy.
- (k) The Company and its subsidiaries have not made any loans to firms/companies in which directors are interested.
- (l) Disclosures on compliance with corporate governance requirements specified in Regulations 17 to 27 of Listing Regulation have been included in the relevant sections of this report.
- (m) The Appropriate information has been placed on the Company's website pursuant to clauses (b) to (i)

of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.

- (n) The financial statements (both consolidated and standalone) have been prepared in accordance with the accounting standards and policies generally accepted in India.
- (o) The CEO and CFO have certified to the Board, the requirements of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 with regard to financial Statement.
- (p) 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, 2023, 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

Rupen Patel

Chairman & Managing Director
DIN: 00029583

May 15, 2023
Mumbai

Independent Auditor's Certificate on compliance with the conditions of Corporate Governance as per provision of Chapter IV of Securities 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, clauses (b) to (i) and (t) of regulation 46(2) and para C and D of Schedule V of the 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, 2023. 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 of India.

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 conditions of Corporate Governance as stipulated in the Listing Regulations.
- 5) We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) 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 (Revised 2016) requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
- 6) We have complied with 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 not limited to verification of secretarial records and financial information of the Company and obtained 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, 2023, 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 **Vatsaraj & Co.**
Chartered Accountants
FRN: 111327W
CA Dr. B. K. Vatsaraj
Partner
M. No. 039894
UDIN: 23039894BG2CSK3760

Mumbai, May 15, 2023

Business Responsibility & Sustainability Reporting Format

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, 2022 to 31 st March, 2023
10.	Name of the Stock Exchanges where shares are listed	BSE Limited and The National Stock Exchange of India Limited
11.	Paid-up Capital	₹ 77,36,17,228
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. Ramu Mohan Deputy General Manager (HSE) Telephone: +91 22 26767535 Email: ramu.mohan@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	Number of offices	Total
National	42	5	47
International	2	-	2

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	15
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 upon bidding for the contract /tenders. The clients are governing bodies according to the sectors of their operations like NHPC, NTPC, SJVNL, CVPPPL, etc. for Hydro Power, IRCON, KRCL, RVNL, etc. for Railway Tunnels and Railway Lines, NHAI for Highways & Roads.

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)	2,077	2,035	97.98	42	2.02
2.	Other than Permanent (E)	37	37	100	0	0
3.	Total employees (D + E)	2,114	2,072	98.01	42	2.02
WORKERS						
4.	Permanent (F)	2,349	2,347	100	2	100
5.	Other than Permanent (G)	10,491	10,474	99.84	17	0.16
6.	Total workers (F + G)	12,840	12,821	99.85	19	0.15

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)	2	2	100	0	0
5.	Other than permanent (G)	6	6	100	0	0
6.	Total differently abled workers (F + G)	8	8	100	0	0

19. Participation/Inclusion/Representation of women

	Total (A)	No. and Percentage of Females	
		No. (B)	% (B/A)
Board of Directors	7	2	28.57
Key Managerial Personnel	4	2	50.00

20. Turnover rate for permanent employees and workers

	FY 2022-23 (Turnover rate in current FY)			FY 2021-2022 (Turnover rate in previous FY)			FY 2020-2021 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	8.42%	1.00%	9.42%						
Permanent Workers	8.43%	0%	8.43%		10%			9%	

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.	Friends Nirman Pvt. Ltd.	Subsidiary	100.00	No
2.	Energy Design Pvt. Ltd.	Subsidiary	100.00	No
3.	Shreeanant Construction Pvt. Ltd.	Subsidiary	100.00	No
4.	Patel Engineering Infrastructure Ltd.	Subsidiary	100.00	No
5.	Pandora Infra Pvt. Ltd. (Held by Company along with its Wholly owned Subsidiaries)	Subsidiary	100.00	No
6.	Patel Patron Pvt. Ltd.	Subsidiary	100.00	No
7.	Vismaya Constructions Pvt. Ltd.	Subsidiary	100.00	No
8.	Bhooma Realities Pvt. Ltd.	Subsidiary	100.00	No
9.	Shashvat land Projects Pvt. Ltd.	Subsidiary	100.00	No
10.	Arsen Infra Pvt. Ltd.	Subsidiary	100.00	No
11.	Hera Realcon Pvt. Ltd.	Subsidiary	97.13	No
12.	PBSR Developers Pvt. Ltd.	Subsidiary	100.00	No
13.	Patel KNR Infrastructures Ltd.	Subsidiary	60.00	No
14.	Hampus Infrastructure Pvt. Ltd.	Subsidiary	100.00	No
15.	Waterfront Developers Ltd.	Subsidiary	100.00	No
16.	Patel Engineering (Singapore) Pte. Ltd.	Subsidiary	100.00	No
17.	Patel Engineering (Mauritius) Ltd.	Subsidiary	100.00	No
18.	Patel Engineering Inc.	Subsidiary	100.00	No
19.	Patel Engineering Lanka (Pvt.) Ltd.	Subsidiary	100.00	No
20.	Michigan Engineers Pvt. Ltd.	Subsidiary	51.00	No
21.	Les Salines Development 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)
22.	La Bourgade Development Ltd.	Subsidiary	100.00	No
23.	Ville Magnifique Development Ltd.	Subsidiary	100.00	No
24.	Sur La Plage Development Ltd.	Subsidiary	100.00	No
25.	PT PEL Mineral Resources	Subsidiary	100.00	No
26.	PT Patel Engineering Indonesia	Subsidiary	100.00	No
27.	Patel Mining (Mauritius) Ltd.	Subsidiary	100.00	No
28.	Enrich Mining Vision Lda	Subsidiary	100.00	No
29.	Patel Mining Priviledge Lda.	Subsidiary	100.00	No
30.	Patel Infrastructure, Lda	Subsidiary	100.00	No
31.	Trend Mining Projects, Lda	Subsidiary	100.00	No
32.	Accord Mines Venture, Lda	Subsidiary	100.00	No
33.	Netcore Mining Operations, Lda	Subsidiary	100.00	No
34.	Metalline Mine Works, Lda	Subsidiary	100.00	No
35.	Patel Assignment Mozambique, Lda	Subsidiary	100.00	No
36.	Chivarro Mines Mozambique, Lda	Subsidiary	100.00	No
37.	Fortune Mines Concession, Lda	Subsidiary	100.00	No
38.	Omni Mines Enterprises, Lda	Subsidiary	100.00	No
39.	Quest Mining Activities, Lda	Subsidiary	100.00	No
40.	ASI Global LLC.	Subsidiary	100.00	No
41.	PT Surya Geo Minerals	Subsidiary	100.00	No
42.	PT Surpat Geo Minerals	Subsidiary	100.00	No
43.	Dirang Energy Pvt. Ltd.	Subsidiary	100.00	No
44.	West Kameng Energy Pvt. Ltd.	Subsidiary	100.00	No
45.	Digin Hydro Power Pvt. Ltd	Subsidiary	100.00	No
46.	Meyong Hydro Power Pvt. Ltd	Subsidiary	100.00	No
47.	Saskang Rong Energy Pvt. Ltd.	Subsidiary	100.00	No
48.	Patel Energy Ltd.	Subsidiary	99.99	No
49.	Patel Surya (Singapore) Pte Ltd.	Subsidiary	60.00	No
50.	Pt Patel Surya Minerals	Subsidiary	60.00	No
51.	Pt Patel Surya Jaya	Subsidiary	60.00	No
52.	Lucina Realtors Pvt. Ltd.	Subsidiary	90.90	No
53.	ASI Constructors Inc., USA	Subsidiary	66.37	No
54.	ACP Tollways Pvt. Ltd.	Associate	32.00	No
55.	Hitodi Infra Pvt. Ltd.	Associate	49.00	No
56.	Bellona Estate Developers Ltd.	Associate	49.00	No
57.	CICO Patel JV	Joint Venture	99.90	No
58.	Patel SEW JV	Joint Venture	60.00	No
59.	KNR Patel JV	Joint Venture	49.00	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)
60.	Patel KNR JV	Joint Venture	50.00	No
61.	Patel-Varks Precision Consortium	Joint Venture	60.00	No
62.	PATEL Soma JV	Joint Venture	50.00	No
63.	PATEL V ARKS JV	Joint Venture	65.00	No
64.	Patel Avantika Deepika BHEL	Joint Venture	52.83	No
65.	AGE PATEL JV	Joint Venture	49.00	No
66.	Patel - Michigan JV	Joint Venture	10.00	No
67.	PEL-UEIPL JV	Joint Venture	60.00	No
68.	PEL-PPCPL-HCPL JV	Joint Venture	51.00	No
69.	PATEL VI JV	Joint Venture	51.00	No
70.	Onycon Enterprise	Joint Venture	60.00	No
71.	PEL-Gond JV	Joint Venture	45.00	No
72.	HES Shuthaliya JV	Joint Venture	45.00	No
73.	PEL-Parbati JV	Joint Venture	52.00	No
74.	NEC-PEL JV	Joint Venture	45.00	No
75.	PEL-RBG JV	Joint Venture	51.00	No
76.	Patel SA JV	Joint Venture	75.00	No
77.	Era Patel Advance Kiran JV	Joint Venture	47.06	No
78.	Era Patel Advance JV	Joint Venture	30.00	No
79.	Patel Apco JV	Joint Venture	50.00	No
80.	Patel Siddhivinayak JV	Joint Venture	51.00	No
81.	PEL-ISC-PRATHMESH JV	Joint Venture	50.00	No
82.	ISC Projects-PEL JV	Joint Venture	49.00	No
83.	Patel -Civet-Chaitra Micro (KA) JV	Joint Venture	51.00	No
84.	Ceigall - PEL (JV)	Joint Venture	40.00	No
85.	VPRPL - PEL JV	Joint Venture	51.00	No
86.	Mokhabardi Micro Irrigation Project JV	Joint Venture	51.00	No
87.	DK Joint Venture LLP	Joint Venture	51.00	No
88.	Patel-Raman JV	Joint Venture	35.00	No
89.	PEL-PC JV	Joint Venture	80.00	No
90.	Patel Civet Project JV	Joint Venture	51.00	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Not Applicable for FY 2022-23, company has voluntarily spent CSR amount as a part of social upliftment
- (ii) Turnover (₹ in millions): 38,171.26
- (iii) Net worth (₹ in millions): 28,011.23

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) #	FY 2022-2023 Current Financial Year			FY 2021-2022 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	No, there is no direct involvement of the community with the project. All the community related aspects are handled by the Clients. The communities related issues are dealt by the Clients and their social representatives.	Nil	Nil	No complaints received by the Clients from the communities on Company's site activities.	Nil	Nil	No complaints received by the Clients from the communities on Company's site activities.
Investors (other than shareholders)	No	Nil	NIL	--	Nil	Nil	--
Shareholders	Yes	4	Nil	--	Nil	Nil	--
Employees and workers	Yes Whistle blower Policy https://tinyurl.com/2sxxrt7t	Nil	Nil	--	Nil	Nil	--
Customers	Quality Policy as well as complaint Management procedure is in place	Nil	Nil	--	Nil	Nil	--
Value Chain Partners	All the value chain partners are part of supplier development program as well. The company has responsible sourcing Policy which is under implementation.	Nil	Nil	--	Nil	Nil	--
Other	No	Nil	Nil	--	Nil	Nil	-

The policy guiding Company's conduct with its stakeholders including grievance mechanism are available at <https://www.pateleng.com/investors.php>

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

Sr. 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	0	We are 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	0	We do 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	R	Natural resource depletion over a period of time	<p>Waste water treatment and usage of the water.</p> <p>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.</p> <p>Minimizing the energy usage by adopting green energy input where ever it is possible. The source of green energy usage in our case is hydel power or solar usage.</p>	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. The cost saving for the project is also passed on to the client.

Sr. 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)
4	Local disruption in projects during project execution.	R	Unskilled person come forward for jobs, and pressurize for being contractors as well seeking labour contract work.	The local employment opportunity needs 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	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	https://www.pateleng.com/investors.php									
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	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
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.									
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.									
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.									

ISO 9001, ISO 14001, ISO 45001

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.

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.

We have 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. These initiatives have 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 sites in next three years' time period (2022-2025) – Ongoing activity
2. Adoption of Anti-bribery and Anti-corruption Policy by December 2022 - The said policy has been adopted and now the policy and procedures are in place for employees, suppliers and our contractors. The Company has set up a target to reach all its critical suppliers and contractors at work places with ethical conduct and may choose to conduct audits at supplier end with the help of ABMS as well Sustainable Sourcing Policy and Procedures. In 2023-2024, Company targets to conduct atleast 2 awareness sessions for suppliers and contractors and to conduct onsite supplier audit on sustainable procurement area which includes ethics.
3. CSR team is in place at HO, Company's project sites which are interested in doing CSR activities around the project, approaches the HO with CSR budget plan for a financial year which is approved by CSR / Board of Directors of the Company. The program rolls out post approval in terms of the budget sanctioned.
4. De-carbonization of some of our activities by opting for green energy by March 2023 - Teesta 6 has exclusively gone for taking green energy through Grid to source our power requirements for the construction activity. (2022-23) The project has been completed. We are exploring such opportunities in other sites where the green energy can be replaced for our major construction related energy requirements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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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 - Ongoing and the Company is working on the learning and development tools. Some for the training on EHS and Quality are regularly carried out at all the sites.
6. Strengthening our Health, Safety & Environment (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 - The Sustainable sourcing Policy and Procedure has been laid down and in the financial year 2023-2024. The critical suppliers shall be educated and trained on our requirements and all our PO shall reflect the pre-requisite requirement for our supplier for being partner in sustainable sourcing.
8. ESG /GRI reporting to start by December 2023 voluntarily - Presently the Company is structuring its data management by implementing the SAP across the organization and Legal compliance software. We are trying on Pilot basis HSE mobile based application software to access the information at sites for immediate corrective measure and to ensure the sound HSE at construction sites.

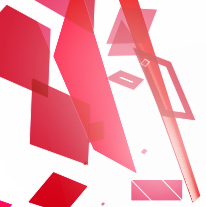
We expect by adopting these objectives company wide, we shall be able to gain:

1. Our commitment for sustainable & organic growth and to ensure safe and green environment. We are committed to work in Nation Building while taking care of Environmental and social well-being with robust governance.
2. Contributing to universal goals for sustainability by governing ourselves in responsible sustainable manner towards environment and society.
3. Building economy of the country by contributing through time bound completion of the projects.
4. Decarbonization projects at some of the construction sites on selected processes will be taken to reduce the emission.
5. Minimizing Co2 emissions from our construction project by 40% by using best available option for our construction projects and to keep on reducing the emission till 2040.

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements.

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. The Company 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.



Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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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.

We have considered 13 projects for this year BRSR reporting boundary and these project constitute the majority of our construction business.

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 at all our sites. The Company 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 we participate 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 for us. PEL tries to overcome these challenges with our site project review meetings with the client and get it addressed.

The Company is also committed to GRI/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 / Climate Change policy. We aim to publish GRI/ESG reporting from financial year 2024-25.

Organization is exploring the avenues of circular economy and in some of the projects they are in talk with the clients for exploring the avenues.

We have improved our health and Safety plans and more number of safety professionals are deployed at the project sites to ensure safe work cultural is followed. The incidents are captured and thoroughly invested. The Corrective action taken with any incident is also monitored and measured for its effectiveness.

One of the aims is to control on waste per ton of concrete. The same has been monitored very rigorously and we are tying 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.

The Company is committed to minimize the energy intensity of our activities from our project sites and will encourage usage of green renewable source of energy. Our work is restricted to construction activity for a temporary duration but yet we shall try to minimize the use of energy by conservation, optimization, efficient building as well 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@pateleng.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 the Audit Committee, which reviews the report.



Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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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 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	
Performance against above policies and follow up action	Yes										Annually
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes										Annually
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.		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	
	Yes. The Company is certified for Integrated Management System by the British Standard Institution for its activities in Quality, Environment and Occupational Health and Safety. Related to other Policies on Human Resources, Social aspects and Governance the external audit will be planned this FY 2023-2024										

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)									
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)							NA		
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	3 manhours	Familiarization programs on updating business projects and update of laws.	100
Key Managerial Personnel	40 manhours	Updating business projects and update of laws.	100
Employees other than BoD and KMPs	49 manhours	POSH, SAP, Health & Safety, MIS	100
Workers	13 manhours	Health & Safety	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:

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty Fine	Principle 7	BSE and NSE	Rs. 11,800 each	The Company has received notice from BSE Limited and National Stock Exchange of India Limited, w.r.t. non-compliance of Regulation 29(3) of Listing Regulation and a fine of Rs. 11,800 was charged individually by both the exchanges. The Company has paid the said fine in terms SEBI SOP Circular dated January 22, 2020.	No
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-
Non-Monetary					
Imprisonment	-	-	-	-	-
Punishment	-	-	-	-	-

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: No Such appeal was preferred as the Company has paid the said fine in terms SEBI SOP Circular dated January 22, 2020.
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. The Company 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 <http://www.pateleng.com/pdf/2473PELABMS%20Policy.pdf>
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 2022-2023	FY 2021-2022
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

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

	FY 2022-2023 (Current Financial Year)		FY 2021-2022 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-	-	-	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	-	-	-	-

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: The Board of Directors noted the aforementioned non-compliance under Regulation 29(3) of SEBI Listing Regulation and advised the management to be cautious and avoid such instance of non-compliance in future.

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
5	IMS trainings, EHS trainings, Awareness session on BRSR and 9 principles therein.	20

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, code of Conduct Policy is in place for Board of Directors / Employees. Compliance of the Code of conduct is ensured through disclosure to the appropriate authority for taking further action.

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 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)	Details of improvements in environmental and social impacts
R&D	<p>The Company is in business of Construction and there is no such R&D carried out as most of the contracts are tender based. The Company tries to invest in adopting modern technologies of construction to save resources and time.</p> <p>Given the nature of business of the Company, the relevance of the above is largely restricted to best available technology in the field of construction, its constant endeavour of the leadership team at PEL to embark upon and embrace the new technology which help in completion of the work activities before schedule as well as helping Clients and Company.</p> <p>The Company has implemented SAP at all the operational sites and HO and Branch Offices. This SAP implementation will help in evolving our processes and make it more robust.</p> <p>Environmentally we shall be enhancing our performance by optimizing the resources and its utilization, minimization of paper waste.</p>		<p>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 and through various CSR activities.</p>

The Major Equipment's bought under capex during this period is as below:

	Project	Amount in millions (Approx.)
Capex	Kiru HEP	968.14
	Luhri	407.82
	Teesta VI	300.05
	Subansiri	465.90
	Total	2,141.91

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)
- b. If yes, what percentage of inputs were sourced sustainably?

The Company has established Policy and Procedure for Sustainable Sourcing /Procurement with procedures in place. The organisation has also shortlisted the suppliers and contractors with whom they will take the journey of Sustainable sourcing in the financial year 2024-25.

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 sent back to batching plant to manufacture concrete for the project work or it is used for paver block making.
 - 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) The 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	Company has not conducted any LCA but has considered the life cycle perspective in its planning and execution of ISO 14001: 2015 at 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 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. Comprehensive Life cycle perspective will be conducted by external party in the year 2023-24 and results shall be communicated in public domain through our website.		

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. Since the project locations are remote, it impossible in many ways to transport the hazardous waste. In some of the sites, its client who helps in management of the hazardous waste.

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 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Construction and Demolition waste	10%	10%

4. 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 2022-2023 (Current Financial Year)			FY2021-2022 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	NA	Given to recyclers	5 MT per annum	NA	NA	Collected and kept for recyclers
E-waste	Presently it is being collected at site. Once a quantum is identified, the central procurement team will auction to government authorized e-waste recyclers and re-processor.					
Hazardous waste	Majority of hazardous waste is generated through usage of DG sets, Construction vehicles. We have OEM contract in place, accordingly the OEM does take care of all these waste in scientific manner and dispose as per hazardous waste disposal. The muck generated during the process, is also disposed with in site after consultation with the client.			-	-	-
Other waste	Other solid waste includes tyres, scrap of iron etc. are sold to regular scrap dealers					

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
	Not applicable to this type of industry

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	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent employees											
Male	2,035	2,035	97.98	2,035	97.98	0	0	0	0	0	0
Female	42	42	2.02	42	2.02	0	0	0	0	0	0
Total	2,077	2,077	100	2,077	100	0	0	0	0	0	0
Other than Permanent employees											
Male	0	0	0	0	0	0	0	0	0	NA	NA
Female	0	0	0	0	0	0	0	0	0	NA	NA
Total	0	0	0	0	0	0	0	0	0	NA	NA

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	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent workers											
Male	2,347	0	0	2,347	99.91	0	0	0	0	0	0
Female	2	0	0	2	0.09	0	0	0	0	0	0
Total	2,349	0	0	2,349	100	0	0	0	0	0	0
Other than Permanent workers											
Male	10,474	0	0	10,474	99.84	0	0	0	0	0	0
Female	17	0	0	17	0.16	0	0	0	0	0	0
Total	10,491	0	0	10,491	100	0	0	0	0	0	0

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

Benefits	FY 2022-23			FY 2021-22		
	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				100%		

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.

Yes, Most of the permanent facilities and office buildings are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

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.

Yes, the Company has Equal Opportunity Policy as per the Rights of Persons with Disabilities Act, 2016. This policy can be accessed through the link: <https://tinyurl.com/t5w9tn84>

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 leaves in the year 2022-2023			
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	Human Resource function at the sites have the processes for handling all the types of grievances redressal mechanism as per HR Policy of the organization. The HR also deals with any type of grievance in written or oral form. HR at each site is accessible to all for lodging grievance and its redressal from them.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	The Company 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. The Company 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 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 (POSH) 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 policy on the same is placed on the Company's website. The ICC comprises majority of women members. Members of the ICC are responsible for conducting inquiries pertaining to complaints under POSH.

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

Category	FY 2022-2023 (Current Financial Year)			FY 2021-2022 (Previous Financial Year)		
	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 Permanent Employees	2,077	0	0	0	0	0
- Male	2,035	0	0	0	0	0
- Female	42	0	0	0	0	0
Total Permanent Workers	2,349	783	33.33	2023	680	33.61
- Male	2,347	783	33.36	2,023	680	33.61
- Female	2	0	0	0	0	0

8. Details of training given to employees and workers:

Category	FY 2022-2023 Current Financial Year					FY 2021-2022 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)
Employees										
Male	2,035	2,035	100	2,035	100	2,389	2,389	100	2,389	100
Female	42	42	100	42	100	45	45	100	45	100
Total	2,077	2,077	100	2,077	100	2,434	2,434	100	2,434	100
Workers										
Male	2,347	2,347	100	2,347	100	1,836	1,836	100	1,836	100
Female	2	2	100	2	100	0	0	100	0	100
Total	2,349	2,349	100	2,349	100	1,836	1,836	100	1,836	100

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

Category	FY 2022-2023 Current Financial Year			FY 2021-2022 Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	2,035	2,035	100	2,202	2,202	100
Female	42	42	100	45	45	100
Total	2,077	2,077	100	2,247	2,247	100
Workers						
Male	2,347	2,347	100	2,023	2,023	100
Female	2	2	100	0	0	0
Total	2,349	2,349	100	2,023	2,023	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 of such system?

Yes, Occupational Health and Safety (OH&S) management System has been implemented by the Company and is in compliance with ISO 45001:2018 and is certified for ISO 45001:2018 by BSI for our business. Company's top management is committed to ensure safe workplace across its area of operations and to achieve the "Mission Zero Harm" through its OH&S Policies and procedures. We ensure the "ethics and compliances" through regular evaluation of OH&S Management system and compliance obligations. The Company has deployed dedicated Health and Safety Officers with desired competency across our project sites to implement, monitor and continually improve OH&S management system and to provide expert advise on OH&S matters to the management. The Company has a systematic document process of identifying OH&S hazards and related risks for all routine and non-routine activities, which ensures the risk has been reduced at ALARP (As Low as Reasonably Practicable). All sites have formed dedicated safety committee chaired by Project Managers to discuss the internal and external issues related to OH&S and making decisions on OH&S matters. Company ensures the consultation and participation of workers and contractors in OH&S matters through various programs like OH&S committee meeting, OH&S Inspections, Tool Box Talk, Mock Drills, Promotional Activities, Rewards and appreciations and OH&S Audits. Regular inspections and audits being conducted by OH&S Department from HO to find out any serious non-conformance and area of improvement and to take necessary action. We have implemented systematic process for timely reporting of all OH&S related accidents, Investigation of such accidents in stipulated time to find out the causes of accident, taking necessary corrective actions and its horizontal deployment. With all above mechanisms of OH&S Management System we ensure the continual improvement of our OH&S standards at site.

- 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 Company has documented systematic procedure for identifying work related OH&S Hazards and related risks, Hazard Identification and Risk Assessment (HIRA) for all routine and non-routine activities. The process of Hazard Identification and Risk Assessment is intended to establish a standard procedure for determining OH&S Risks and their overall significance relating to the organizational activities. Risks arises from the interaction of people with 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.

- **Hazard Identification:** This is the process of examining each work area and work task for the purpose of identifying all the hazards which are "inherent in the job". Work areas include but are not limited to Tunnel area, Excavations, Shaft area, office areas, Store, transport, maintenance area, DG area, Pump houses, Electrical panel rooms etc. Tasks can include (but may not be limited to) using load handling equipment, audio and visual equipment, industrial equipment, handling materials and hazardous substances, driving a vehicle, dealing with emergency situations,

construction activities, working at heights, Excavation etc. This process is about finding what could cause harm in work task or area. The hazards being identified by Look at all aspects of the work, Including non-routine activities such as maintenance, repair, or cleaning, Look at accident / incident / near-miss records, Include people who work “off-site” either at home, on other job sites, drivers, teleworkers, with clients, etc., Look at the way the work is organised or “done” (include experience and age of people doing the work, systems being used, etc.), Look at foreseeable unusual conditions (for example: possible impact on hazard control procedures that may be unavailable in an emergency situation, power outage, etc.), Examine risks to visitors or the public. Include an assessment of groups that may have a different level of risk such as young or inexperienced workers, persons with disabilities, or new or expectant mothers.

- **Evaluation of Risk & Risk control:** Once the Hazards identified, the risk will be evaluated by considering the probability, severity and existing control measures by the help of a 5X5 risk matrix. We will look for additional control measures, which are reasonably practicable to reduce the risk to acceptable level (4 or below) as per hierarchy of risk control (Elimination, Substitution, Engineering control, Administrative control and PPEs). This HIRA document will review periodically once in 6 months and in case of any accidents, or suggested by audits.

c) Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N) : Yes

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

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

Safety Incident/Number	Category	Current FY (2022-23)	Previous FY (2021-22)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	2	0.39
	Workers	7	
Total recordable work-related injuries	Employees	2	4
	Workers	7	
No. of fatalities	Employees	1	3
	Workers	11	
High consequence work-related injury or ill-health (excluding fatalities)	Employees	2	0
	Workers	7	

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

From the day one of inception of the project, a detailed site OH&S plan, Risk assessment (HIRA) and Method statement are prepared for all routine and non-routine activities, which are reviewed & approved by client for every project undertaken by the Company. The following measures are being complied on an ongoing basis to ensure safe and healthy workplace:

- All workers and staff are medically screened and OH&S inducted prior to deploying them at site. This induction training includes basic OH&S information like, a brief about organization, Company’s OH&S Policy, details of OH&S officers at site, site OH&S rules and regulations (OH&S Codes of conduct), Major/ significant Hazards associated with the workplace, sign in and out procedures, Hand Over Take Over System, Permit to Work system, Location and details of welfare facilities like first aid centre, rest room, toilets, canteen etc., Emergency response plan and contact numbers and Accident/Incident reporting procedures.
- A detailed monthly OH&S Activity Plan being prepared every month which includes all Operation control and monitoring plan for the month, which ensures that all activities are conducted on regular basis in a timely manner.
- Monthly walkthrough inspection being conducted at all work area by the Project Head and OH&S committee and immediate actions were taken on deficiencies observed.
- Workplace EHS inspections, Tools and tackle inspections, Plant and machinery inspection, Electrical inspection, office inspection etc. being conducted periodically and findings were recorded and communicated to concerned responsible person and ensure that necessary corrective actions were taken on time.

- Periodical monitoring like Ambient Air Quality Monitoring, Lux monitoring, Noise monitoring, drinking water testing, earth pit monitoring, DG stack monitoring etc. being conducted by third party to ensure that the workplace hygiene requirements are complied with legal and standard requirements.
- All lifting tools and tackles and compressor vessels being inspected periodically by OH&S Officer and External Third-party Inspector once in a year. Internal inspections like RCCB Inspection, Lux and noise monitoring, Gas monitoring, fire extinguisher inspection, earth pit inspection etc. also being conducted by OH&S officer.
- Skill medical tests being conducted once in 6 months to ensure the fitness of worker to perform high risk activities. These skill test includes Eye test for drivers, operators, welders, fitters etc., Work at height pass system implemented with proper medical screening for workers working at height and cook and helpers medical screening.
- All high-risk activities like Entry to confined space, working in tunnel, work at height, Hot work, Excavation work etc. being controlled with Permit to Work System and Regular gas monitoring being done in compliance with confined space regulations.
- Various trainings and awareness sessions being planned and conducted on monthly basis to improve the awareness of workers on OH&S. These training and awareness sessions includes Job specific trainings, Tool Box Talks, Induction Trainings, On Job trainings etc.
- Workers being consulted and ensuring their participation through various OHS programs like EHS committee, Hazard identification, risk Assessment, OHS complaint form etc. and communication of OHS matters being done through TBT, Notice board and email communication to worker representatives.
- All work-related potential emergency conditions are identified, detailed Emergency Response plan were prepared and mock drills being conducted on periodical basis. All sites are formed emergency response team and resources were provided as per emergency plan.
- Provisions are made for timely reporting of OHS incidents and ensure deployment of corrective action recommended by detailed incident investigation to avoid such accidents in future.

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

	FY 2022-2023 (Current Financial Year)			FY 2021-2022 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	8	0	-	5	0	-
Health & Safety	12	0	-	6	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.

The following Corrective Actions Taken against OH&S incidents and findings of OH&S assessment conducted for various project sites of the Company:

- Gas testing at different levels especially at the spot of Hot Work inside tunnel.

- Adequate ventilation at tunnel face ensured before starting the hot works.
- Additional compressed air line extended to face to flush the fore poles and crown before starting Hot work.
- The ventilation duct extended to the face to ensure proper ventilation.
- Permit to Work for hot work enforced strictly.
- Risk assessment reviewed and the hazards related to the generation of Natural gas included.
- Detailed SOP prepared and circulated to the site team for reference.
- EHS alert prepared in basis of the accident and circulated to site team.
- The Hazards due Natural gas included in Monthly training plan and more trainings are imparted to workers and project team.
- Hazards related to generation of natural gas and hot work included in daily TBT.
- Adequate firefighting arrangements made available at all Hot Work area.
- Mock drill conducted on "Flash fire due to release of natural gas inside tunnel

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 employees have 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.

Adherence to the applicable statutory provisions including payment and deduction of statutory dues is incorporated in the contract agreement with the value chain partners. The Company makes sure that all the relevant clauses dealing with statutory compliance are validated and honoured by both sides.

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 23 (Current Financial Year)	FY 22 (Previous Financial Year)	FY 23 (Current Financial Year)	FY 22 (Previous Financial Year)
Employees	2	0	0	0
Workers	7	4	4	4

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 Company provides transition assistance programmes to facilitate continued employability including helping them to manage post retirement worries and utilize them by engaging them as consultants and trainers till they get settled completely on account of retirement.

5. 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%
	The site contractors/Suppliers are to adhere to HSE requirements of the Company, HSE manual, with site safety plans and applicable formats.
Working Conditions	100%

6. 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.

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

- EHS Inspection checklist of all construction vehicles, equipment's and tools & tackles are created, Inspections plan in Monthly Activity Plan and ensure that all inspections are carried out as per the plan.
- Third Party Inspection of all lifting equipment's, tools and tackles made mandatory and ensure that inspections being conducted periodically.
- Batch wise Tool Box Talk being conducted at all sites Daily/ shift wise.
- 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.
- Gas testing being done at different levels especially at the spot of Hot Work inside tunnel.
- Adequate ventilation at tunnel face being ensured before starting the hot works.
- Additional compressed air line extended to face to flush the fore poles and crown before starting Hot work.
- The ventilation duct extended to the face to ensure proper ventilation.
- Permit to Work for hot work enforced strictly.
- Risk assessment reviewed and the hazards related to the generation of Natural gas included.
- Detailed SOP prepared and circulated to the site team for reference.
- EHS alert prepared in basis of the accident and circulated to site team.
- The Hazards due Natural gas included in Monthly training plan and more trainings are imparted to workers and project team.
- Hazards related to generation of natural gas and hot work included in daily TBT.
- Adequate firefighting arrangements made available at all Hot Work area.
- Mock drill conducted on "Flash fire due to release of natural gas inside tunnel".

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/ Investors	No	Press Releases, dedicated email ID for Investor Grievances, Annual Report, Website, Newspapers, Stock Exchange Intimations, Emails, SMS, Investor meets etc.	Quarterly / Annually / As and when required	To update the shareholders / investors on information which are material to them. Key topics are Company's financial performance, update on the various projects awarded to the Company and order book status including steps taken by the Company to reduce its debts.
Customer	No	Emails, SMS, Meetings	As per project requirements	Progress review meeting, HSE meetings
Regulators	No	Press Releases, Quarterly Results, Annual Report, Stock Exchange filings, specific meetings, representations	As and when required	Reporting requirements, statutory compliances
Employees	No	Meetings, inductions, grievance redressal, welfare initiatives for the employees and their families	As and when required	Performance, education, training, career enhancement & skill training etc.
Community	Yes	Direct engagement through Company's various project sites and also through NGOs	As and when required	Their feedback / success on CSR project. Also review potentials and further engagement scope.
Suppliers / Contractors	No	Suppliers / Contractors meet	As and when required	Supply chain issue, need for awareness and other trainings, regulatory compliance, EHS performance etc.

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 Company 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 Company to better serve its stakeholders. The Board is kept abreast of various developments and feedback on the same is sought from the Directors. The consultation with stakeholder are delegated at various functional level of the organization. The project sites carry out consultation with the contractors and local suppliers and employees, Company has adopted a procedure for ongoing process of participation, consultation and communication.

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 engaging people from different stakeholder group. 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 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	2,035	2,035	100	2,247	2,247	100
Other than permanent	42	42	100	-	-	-
Total Employees	2,077	2,077	100	2,247	2,247	100
Workers						
Permanent	2,347	2,347	100	2,023	2,023	100
Other than permanent	2	2	-	-	-	-
Total Employees	2,349	2,349	100	2,023	2,023	100

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

Category	FY 2022-2023 (Current Financial Year)				FY 2021-2022 (Previous Financial Year)					
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (C)	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	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Other than Permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent	2,349	2,349	100		2,023	2,023	100	-	-	-
Male	2,347	2,347	100		2,023	2,023	100	-	-	-
Female	2	2	100		0	0	0	-	-	-
Other than Permanent	10,491	10,491	100		2,061	2,061	100	-	-	-
Male	10,474	10,474	100		2,061	2,061	100	-	-	-
Female	17	17	100		0	0	0	-	-	-

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

	Male		Female	
	Number	Median remuneration/salary/wages of respective category (in Rs.)	Number	Median remuneration/salary/wages of respective category (in Rs.)
Board of Directors (BoD)	2	2,46,72,237	1	1,71,20,014
Key Managerial Personnel	2	2,46,72,237	2	1,09,60,005
Employees other than BoD and KMP	2033	9,02,882	40	12,25,674
Workers	2,347	3,56,308	2	2,87,329

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)**

The Company does not have a single focal point for addressing human rights issues. The Company has adopted Human Rights Policy. The HR head is responsible for addressing the same.

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 Company 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. The Company 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, the Company has aims to provide reasonable safeguards for the benefit of employees at the workplace, while having due regard for their privacy and dignity. Any human rights related issues can be reported as per Whistle Blower Policy of the organization.

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.

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

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	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	-	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

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

The Company has Whistle Blower policy wherein the employees can report any discrimination and harassment cases without any fear of retaliation, unethical behavior or any non-compliance which may have detrimental effect on the organization. Also the Code of Conduct of the Company requires employees to behave responsibly in the action and conduct. The Diversity & Inclusion policy has been adopted by the Company to ensure that the Company continues to be an employer of 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 stakeholders; and to create an environment which has zero tolerance for discrimination. Apart from that the Company has ICC committee for protection of women at workplace to ensure their rights, receive grievances, conduct investigations and to take action.

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

9. Assessments for the year 2022-2023

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	
Forced/involuntary labour	100%.
Sexual harassment	The Company is in compliance with the laws, as applicable. All the applicable laws are assessed as part of IMS implementation by the organization externally.
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.

No significant risks / concerns.

Leadership Indicators

- Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.
No complaints received in FY 2022-23 for human rights violation. The Company regularly sensitizes its employees / suppliers on the Code of Conduct for employees / suppliers, Human Rights Policy, Child Labour Policy, Wages Acts and related laws through various training programs.
- Details of the scope and coverage of any Human rights due diligence conducted.
The scope and coverage of human rights due diligence is limited to all the company employees, workers at HO and project sites.
- 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?
Most of the permanent facilities and office buildings are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016.
- Details on assessment of value chain partners:

% of value chain partners (by value of business done with such partners) that were assessed

Child labour	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. The Company expects its value chain partners to adhere to the same values, principles and business ethics upheld by the Company in all their dealings.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

- Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

NA

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

Essential Indicators

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

Parameter	FY 2022-2023	FY 2021-2022
Total electricity consumption (A) (in GJ)	2,13,915.24	3,01,287.97
Total fuel consumption (B) (in GJ)	7,65,410.71	9,39,417.55
Energy consumption through other sources (C) (in GJ)	2,29,765.79	13,64,429.57
Total energy consumption (A+B+C) (in GJ)	12,09,091.74	26,05,135.09
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) GJ / ₹ in Mn	31.68	85.98
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

- 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.

NA

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

Parameter	FY 2022-2023	FY 2021-2022
Water withdrawal by source (in kilo litres)		
(i) Surface water	1,92,44,481.78	1,36,55,105.54
(ii) Groundwater	1,06,51,370.88	1,14,10,866.34
(iii) Third party water	32,21,700.00	16,45,281.00
(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)	3,31,17,552.66	2,67,10,352.88
Total volume of water consumption (in kilolitres)	2,49,46,764.76	2,62,67,311.56
Water intensity per rupee of turnover (Water consumed / turnover)	0.06	0.01
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. There is no zero liquid discharge possible from the site due to nature of the business of Hydroelectric Power plant. There is no change in the characteristics of the water use by any means as most of the water is used for construction purpose. There is no waste water generated other than water used for washing of construction vehicles which is passed through sedimentation tank and oil catcher. The waste is collected and sent to disposal site for disposal.
5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
NO _x	(µg/3)	25.0	1.88
SO _x	(µg/3)	6.3	1.64
Particulate matter (PM)	(µg/3):	36.3	0.11
Persistent organic pollutants (POP)	No process emission	0	0
Volatile organic compounds (VOC)		0	0
Hazardous air pollutants (HAP)		0	0
Others- please specify		0	0

Yes, BHARAT FOUNDATION (Recognized by WEST BENGAL POLLUTION CONTROL BOARD has been engaged by the organization to carry out independent assessment of the environmental parameters for all the sites this year.

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.

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

Parameter	Unit	FY 2022-2023 (Current Financial Year)	FY 2020-21 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	54,384.45	37,735.92
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	16,325.46	17,238.53
Total Scope 1 and Scope 2 emissions per rupee of turnover		0.18 crores	0.18 crores
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 2023-2024 financial year, while we shall be preparing for the ESG reporting.

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

Yes, the Company has taken the following steps:

- In Teesta VI HE project site we have started completely using the green grid supply resulting in factually zero scope 1 and scope 2 emission. The energy source in this case is hydroelectric power generation.
- Some of our sites in Himachal Pradesh are already running on green project and efforts are made in remaining other sites to use the renewable energy if available in the area. The project sites are temporary and currently management is in active discussion with sites team for finding opportunities in renewable energy sector.

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

Parameter	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	17.34	15.25
E-waste (B)	0	0
Bio-medical waste (C)	1.56	2
Construction and demolition waste (D)	Reused at site	Reused at site
Battery waste (E)	Buyback Agreement	Buyback Agreement
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)	510.22	434.62
Total (A+B + C + D + E + F + G + H)	529.12	449.87
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	16.10	15.25
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	16.10	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	Oil filters, Oil rugs
(ii) Landfilling	0	0
(iii) Other disposal operations	0	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.

ISO 9001, ISO 14001, ISO 45001: British Standard Institution, Mumbai

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 implemented segregation of hazardous waste locations at all the sites. The hazardous waste associated with our activities are primarily oil contaminated rags, oil filters and air filters as well as waste oil which is collected and normally given to hazardous waste management body or it is taken by the OEM suppliers who are having maintenance contract with site. Most of our project sites are not accessible by the Hazardous waste Management agencies. The collection, segregation, labeling and disposal of waste are done by sending these waste to hazardous waste management bodies by our own transportation arrangement. Medical waste are also collected and sent either to client managed health facilities or given to our own tie up hospital for safe disposal as per Bio Medical Waste Management and handling Rules 2016.

We undertake EPC project which is limited only to Civil Construction. The constructions chemicals used during the contraction are not hazardous or toxic in nature. However, efforts are there to minimise use of chemicals in construction process.

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:

Sr. 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, Re Kong - 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

Sr. 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.
12	LUHRI HEP STAGE-I, Village Nirath, Post Dattnagar, Tehsil Rampur, Dist. Shimla	Hydro Electric Power project Construction	Y
13	Jigaon Lift Irrigation Schemes, Gut no 213,Nandura Road, Oppo hotel- Labella Sutala (BK),Tal:Khamgaon , Dist:Buldhana Maharashtra 444303	Lift irrigation	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
Slemanabad Tunnel Project	Government	-	Yes	Yes	Bargi Diversion - Slimnabad Tunnel Page - 1 Narmada Valley Development Authority, Government of Madhya Pradesh (mp.gov.in)
Shongtong karcham hydro electric project 450 MW	J-12011/58/ 2007-IA-I	31-08-2007	Yes	Yes	EIA India Shongtong-Karchham Hydroelectric Project (450 MW), EIA Letter.pdf
Parnai H E Project	179-185/MS/SEIAA/ JK/2010	24-12-2010	Yes	-	-
Teesta VI Hydro Electric Project	S.O.1533	14-09-2006	-	-	https://environmentclearance.nic.in/report/EIA_Notifications.aspx
USBRL (T-2), construction of two tunnel 5130 mtr long each.	-	-	Yes	Yes	-
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)	EIA Notification – S.O. 141 (E) EIA Notification 15 th January, 2016 and its amendments thereof	29/07/2022	Yes	Yes	https://moef.gov.in
Kundah Pumped Storage Hydro Electric Project (4x125MW)	J12011/62/2006-IA-I	08-06-2017	Yes	Yes	http://environmentclearance.nic.in/writereaddata/modification/Extension/Attach_file/26092017C1A0QKQKGPSHEP-2.pdf

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
ARUN III HEP (900) NEPAL – Power House, Surge Shaft, ADIT 4, VPS	SECM93-460	12-5-1993	Yes	Yes	https://www.eia.nl/docs/mer/diversen/pos_010-03_nepal_arun_iii_hydroelectric_project_environmental_assessment_summary.pdf
AMT II – Tunnel Project	BMC Project	-	-	-	MyBMC - Welcome to BMC's Website (mcgm.gov.in)
Sela Pass – Tunnel Project	National Project	-	-	-	Border Road organization project
Kiru Hydro Electric Project	-	-	-	-	http://jkspcb.nic.in/WriteReadData/userfiles/file/public%20hearing/Executive%20Summary%20English%20-%20Kiru%20HEP.pdf
NHPC Subansiri Lower Hydro Electric Project (2000MW)	J-120111/40/ 2001-JA-J	16-03-2007	-	-	http://www.nhpcindia.com/writereaddata/Images/pdf/21%20Subansiri%20Lower%20HEP_Arunachal%20Pradesh_JCB_202108_2.pdf
LUHRI HEP STAGE-I Hydroelectric Project	J-12011/18/2015/- IA-I®	18-03-2021	-	-	https://hppcb.nic.in/Luhari_EIA.pdf
Jigaon Lift Irrigation Schemes	Lift irrigation project under government of India. National Project	2018	Yes	Yes	Jigaon Irrigation Project in Maharashtra : Project Updates & Investment Details IIG (indiainvestmentgrid.gov.in)

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
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All the Company projects follow 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. There is no non-compliance of any said Regulations / Acts.

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: (units used - GJ)

Parameter	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	1,47,209.36	2,29,271.15
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)	1,47,209.36	2,29,271.15
From non-renewable sources		
Total electricity consumption (D)	66,705.88	310652.05
Total fuel consumption (E)	7,65,410.71	18,55,902.60
Energy consumption through other sources (F)	2,29,765.79	13,64,429.57
Total energy consumed from non-renewable sources (D+E+F)	10,61,882.38	35,27,788.95

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. The organization has a plan to conduct the energy audit for majority of its sites in consideration of this report in FY 2025.

2. Provide the following details related to water discharged:

Parameter	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	55,07,945.18	49,07,646.39
- No treatment	22,03,178.07	24,68,146.19
- With treatment – please specify level of treatment (Primary)	33,04,767.11	24,39,500.21
(ii) To Groundwater	26,62,842.72	34,22,653.61
- No treatment	15,97,705.63	20,53,592.16
- With treatment – please specify level of Treatment (Primary)	10,65,137.09	13,69,061.44
(iii) To Seawater	Nil	Nil
- No treatment		
- With treatment – please specify level of Treatment		
(iv) Sent to third-parties	Nil	Nil
- No treatment		
- With treatment – please specify level of Treatment		
(v) Others	Nil	Nil
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	81,70,787.90	83,30,300.00

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. During the GRI/ESG implementation, the water footprint audit is proposed to be conducted by an external agency. The same shall be reported in next FY 2024 report.

3. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters): 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 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilo litres)		
(i) Into Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into 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 kilo litres)		

Not applicable as projects are not in water stressed districts

Not applicable as projects are not in water stressed districts

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

Parameter	Unit	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	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 GHG Emissions data generation is in nascent stage and few sites has been selected this year for data collection. Primary focus is on scope1 and scope 2. In our case due to remote operations, the scope 3 calculations is difficult at present.	
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 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

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 Clients before the handover of the site for development. The Company helps 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
1	AMC's, New equipment with high fuel efficiency, automation, used of C&D waste, shifting of material to other sites for consumption.		Lower Operation and Maintenance cost, help to lower fuel consumption and increase in equipment efficiency.
2	Green energy procurement to replace the fossil fuel used at all the construction sites.	Existing hydro power plants near to the project sites has been approached in some of the site to get the interrupted power supply to meet the captive power requirements to run the Hydel projects.	Reduce the Scope 1 and Scope 2 emission significantly.
3	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 an approved disaster management plan which is also strengthened with the regular drills conducted at the sites. All the project locations mostly buy materials from the local vendors enabling development of the local areas around the sites. The storage capacity has been developed in such a way that minimal hindrance to the business is ensured. The type of activity is constructions where manpower is employed for a temporary period of time. All the construction materials are made available to the site and are stocked as per the lead time for procurement to the sites. Some of the sites like Arun 3, situated at the distant part of Nepal, where supplies become impossible during the rainy season, the supplies are kept in reserve for longer time in such project site, beside developing the local vendor for the same. The Company is engaged in construction activity wherein manpower is employed for a temporary period of time.

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?

There is no adverse impact on the environment and biodiversity resulting from the activities of the constructions carried out by the Company. The habitat is protected with time to time study on environmental conditions and conservation requirements of the project area. These projects have increased the livelihood of the nearby societies and resulted in socio economic development. The value chain partner in our case is only the suppliers who supplies material to the sites, they contribute to scope 3 emission by virtue of transportation. The Company has adopted sustainable sourcing policy through which we monitor that suppliers keep updating their logistics solutions keeping in view the environmental requirements.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Sustainable procurement policy has been adopted and the Company has taken initiatives to reach out to the stakeholders particularly value chain partners to sign a CoC which covers the need for compliance including environmental regulations. All our raw material suppliers are ISO 14001, ISO 45001 certified and some of them are already reporting ESG globally. The Company will put efforts in systematic way to reach out to all the critical suppliers to ensure all the value chain partners are assessed for environmental impacts.

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

Essential Indicators

- 1.a. Number of affiliations with trade and industry chambers/ associations. 10
- 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.

Sr. No.	Name of the trade and industry chambers / associations	Reach of trade and industry chambers / associations
1	Builders’ Association of India	National
2	Indian Concrete Institute	National
3	Indo – American Chamber of Commerce	National
4	Tunnelling Association of India	National
5	National Safety Council	National
6	Federation of Indian Export Organisations	National
7	Construction Federation of India	National
8	All India Association of Industries	National
9	Indian Roads Congress	National
10	Indian Society for Rock Mechanics and Tunnelling Technology (ISRMTT)	National

2. 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 the Company.		

Leadership Indicators

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

Given Company’s expertise, the executives of the Company have over the year played an important role in designing / construction of hydro power plants in association with its Clients. Company proactively engages with various stakeholders

including industry chambers, associations, governments and regulators and provides its inputs on various areas such as infrastructure development and construction, renewable energy, space, health and safety, amongst others. Company is committed to engage in the public policy advocacy process in a responsible and ethical manner.

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
-	-	-	-	-	-

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 an EPC contractor to carry out construction activities and we receive work order as per civil contract. There are some instances where the client request our project site to extend some employment, skill development, local procurements from the project affected population. This is carried out solely on extended help to the client not as requirements.

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

Sr. 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 Clients. The Company has no role in any human resettlement and rehabilitation.

3. Describe the mechanisms to receive and redress grievances of the community.

The project teams address the complaints or grievances of Community people at the local level whenever required and in some cases in consultation with the clients, if required.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	2%	1%
Sourced directly from within the district and neighbouring districts	35%	30%

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.	

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)
-			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No) : No
- (b) From which marginalized /vulnerable groups do you procure?
MSME, women entrepreneur are preferred in local procurement. Most of the supplies are from the client approved vendors whose selection is done based on past supplies, lead time to procurement, financial capacity, storage and inventory capacity, distance from the site etc.
- (c) What percentage of total procurement (by value) does it constitute?
2% 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 clients.

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:

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
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1. Tunnel Project USBRL – T 2

(a)	Animal Welfare works – Construction of Gowshala (Shed for housing 150 cattle. The construction of shed consists of Excavation works , Bottom PCC laying, Plinth Wall, Soil and Muck Filling, and Floor PCC works(160mm).	Shed for housing 150 cattle.	-
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2. Luhri Hydro-electric Project, Stage 1

(a)	Eye Check Up Camp in Nirath, Samathla, Neether, Gadech, Datt Nagar, Dera, Moin Villages	Approx. 600 villagers	100% of the Projects serve the beneficiaries who are from the under privileged, marginalised, vulnerable and backward community of the society.
(b)	Providing drinking water cooler for Government Schools in Moin, Dera, Gadech Villages	Approx. 350 students	
(c)	Distribution of Corona Kits (Masks) in Govt. Schools in Nirath, Samathla, Datt Nagar, Neethar, Dera, Gadech Villages	Approx. 700 students	

(d)	Blood Donation Camp in Dera, Neether, Gadech Villages	Approx 90 villagers donated blood	
(e)	Distribution of books in Government Schools in Nirath, Samathla, Datt Nagar, Neethar, Dera, Gadech Villages	Approx. 500 students	
(f)	Construction of toilet in Government School in Nirath and Neether Villages	Approx. 200 students	
3. Kiru HEP			
(a)	To provide ambulance for local villagers who are living in the adjoining areas near Project site. By providing this facility to the locals, poor patients can be shifted to district hospital Kishtwar village where they can get suitable medical treatment.	98 persons	
(b)	To provide bus services from Patharnaki Village to Kishtwar village on regular basis for local villagers who are living in the adjoining areas near Project site	Approx. 45 to 50 persons per day	100% of the Projects serve the beneficiaries who are from the under privileged, marginalised, vulnerable and backward community of the society.
4. USBRL T15			
(a)	Sprinkling of water on road and supply drinking water to local public	2500	
(b)	Ambulance Service for local people near Project site	1670	
(c)	Bus Service from Ind to Sangaldan for local people	3340	
(d)	Computer & Printer to Sangaldan Government School	400	
5. Kundah Pumped Storage Hydroelectric Project			
(a)	Providing furniture for office rooms & Closed Circuit Television for Government Higher Secondary School at Emerald Village near Project Site	221 students / staff – 17 persons	
	Purpose: for security purpose of school.		
6. Financial assistance for Sports Education			
(a)	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

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

The Company 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.

- 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	
Safe and responsible usage	100%
Recycling and/or safe disposal	

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

	FY 2022-2023 (Current Financial Year)		Remarks	FY 2021-2022 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restricted Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other	-	-	-	-	-	-

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 business related information are available at the Company's website www.pateleng.com/business-overview.php

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.

NA

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 our 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)

NA due to nature of business.

5. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact

There were no data breaches during the year.

b. Percentage of data breaches involving personally identifiable information of customers

NIL

Independent Auditors' Report

To The Members of Patel Engineering Limited Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Patel Engineering Limited which include unincorporated 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 31st March 2023, the Consolidated Statement of Profit and Loss (including the of Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and Notes to Consolidated Financial statements, including a summary of significant accounting policies and other explanatory information, (hereinafter referred to as "Consolidated Financial Statement"). 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 Company as at 31st March, 2023, and its consolidated profit including other comprehensive income, the consolidated statement of changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statement 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 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 obtained by us along with the consideration of reports of the other auditors referred to in paragraph (1) of the "Other Matters" section below is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Emphasis of Matter

We draw attention to

1. The independent Branch Auditors of Patel Engineering Limited (Real Estate Division) ("the Division"), have without qualifying their audit report dated 15th May, 2023 on the financial statements of the Division for the year ended March 31, 2023 have drawn attention regarding cost incurred by Group through Les Salines Development Limited ('LSDL', 'a Step-down subsidiary of Waterfront Developers') for development of real estate project at Mauritius, where notice dated 4th June 2015 was received from Government of Mauritius for the termination of lease agreement entered on 11th December, 2009 with LSDL. In this case the process of arbitration with the Government of Mauritius has been completed during the year and management of the branch is expecting the favorable order for the same.

Our opinion is not modified in respect of this matter.

2. The Consolidated Financial Statement of the Group for the year ended March 31, 2023 include the financial statements of the subsidiaries, Hera Realcon Private Limited, Shreeanant Construction Private Limited and Energy Design Private Limited, wherein their auditors, without qualifying their opinion have drawn attention with respect to material uncertainty that exist which may cast significant doubt on the respective company's ability to continue as going concern. However, the financial statements of these subsidiaries are prepared on going concern basis.

Our opinion is not modified in respect of this matter.

3. The Independent Auditors of Dirang Energy Private Limited ('DEPL'), have without qualifying their audit report dated April 19, 2023 on the financial statements for the year ended March 31, 2023 have drawn attention to Note No. 15(10) 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 favorable 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 in our professional judgment and based on the consideration of reports of other auditors on separate financial statement of components audited by them, were of most significance in our audit of the Consolidated Financial Statements for the financial year ended 31st March, 2023. 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. 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 Consolidated 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 Consolidated 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 Consolidated Financial Statements.

Sr No	Key Audit Matter	Auditors 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 ○ 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.

Sr No	Key Audit Matter	Auditors Response
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 overruns 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 and 26, 41 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 31st March, 2023. • Obtaining representation letter from the management on the assessment of these matters as per SA 580 (revised) – written representations.

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

The Holding 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 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 Consolidated 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 Consolidated 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 Consolidated Financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibility of Management for the Consolidated Financial Statements

The Holding Company's Management and 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 Financial position, Financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the Companies included in the group and of its associates are also responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal Financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial statement 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 entity 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.

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

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

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

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

- Identify and assess the risks of material misstatement of the Ind AS 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 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.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial statements.

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 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 division whose financial statements reflect total assets of ₹ 4,507.85 Million as at March 31, 2023, total revenue of ₹ 191.62 Million, total profit/(loss) after tax of ₹ (530.45) Million and total comprehensive income of ₹ (530.45) Million for the year ended March 31, 2023
 - ii. 20 unincorporated joint operations, whose financial results reflect total assets of ₹ 2,797.73 Million as at March 31, 2023, Company's Share in total revenue of ₹ 7,425.38 Million, total profit/(loss) after tax of ₹ 114.29 Million and total comprehensive income of ₹ 114.29 Million for the year ended March 31, 2023.
 - iii. 21 subsidiaries, whose financial statements reflect net total assets of ₹ 11,619.04 Million as at March

31, 2023, total revenues of ₹ 2,882.05 Million, total net profit/(loss) after tax of ₹ (145.28) Million, total comprehensive income of ₹ (244.61) Million and net cash inflows amounting to ₹ (219.04) Million for the year ended March 31, 2023.

These Ind AS financial statement of the entities mentioned in (i) to (iii) 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 and joint operations, and our report in terms of sub-section (3) and (11) of Section 143 of the Act including report on other information, in so far as it relates to the aforesaid branch, joint operations and subsidiaries is based solely on the report(s) of such other auditors.

2. The accompanying Consolidated Financial Statements include unaudited financial statements and other unaudited financial information in respect of:
 - i. 11 unincorporated joint operations whose financial results reflect total assets of ₹ 617.39 Million as at March 31, 2023, Company's Share in total revenue is Rs 1,668.87 Millions, total Profit/(loss) after tax of ₹ (2.06) Millions and total comprehensive income of ₹ (2.06) Millions for the year ended March 31, 2023.
 - ii. 4 subsidiaries, whose financial statements reflect net total assets of ₹ 576.63 Million as at March 31, 2023, total revenues of ₹ 12.93 Million, total net profit/(loss) after tax of ₹ (4.25) Million, total comprehensive income of ₹ (94.90) Million and net cash outflow amounting to ₹ (0.55) Million for the year ended March 31, 2023.
 - iii. 3 associates, whose financial statements/financial information's reflect Groups share of net profit after tax of ₹ 46.79 Million and total comprehensive income of ₹ 46.79 Million for the year ended March 31, 2023.

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, subsidiaries and associates and our report in terms of sub-section (3) and (11) 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 Group.

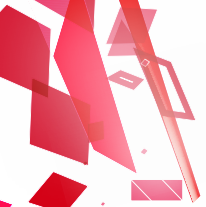
Our opinion above on the Consolidated Financial Statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial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

3. The comparative financial information of the Group for the year ended 31st March, 2023, prepared in accordance with Ind AS, have been taken from the merged financial statements certified by us dated 29th October 2022 for which we have relied upon the audited financial statements of the group audited by other auditors and respective auditors of the merged subsidiaries. These financial statements have been restated under Ind AS 103 to give effect to the orders of the National Company Law Tribunal (NCLT) Mumbai divisional bench dated 16th June 2022 and NCLT Hyderabad divisional bench dated 22nd July 2022. As a result, the previous year figures in the Consolidated Financial Statements will not match with the previous year published Consolidated financial statements that were audited by the other auditor who have expressed an unmodified opinion on the previous year Consolidated financial statements vide their report dated 23rd May, 2022.

Our opinion on the Consolidated Financial Statements is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government 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 further 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 by the Company 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 Statement of Changes in Equity and the Consolidated Statement of Cash Flow 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 31st March, 2023 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, 2023 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 with reference to these Financial Statements and the operating effectiveness of such controls, 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, 2023 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group has disclosed the impact of pending litigations as at 31st March, 2023 on its financial position in its Consolidated Financial statements to the extent determinable/ ascertainable. – Refer Note 47 to the Consolidated Financial Statements.
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund during the year
 - iv. (a) The respective management of the company, its subsidiaries and associate companies which are company 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 have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kinds of funds) by the Company or any of such subsidiaries and associates to or in any other persons or entities, including foreign entities (“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 or any of such subsidiaries and associates (“Ultimate Beneficiaries”) or provide any guarantee, security or the like to or on behalf of the ultimate Beneficiaries.
- (b) The respective management of the company, its subsidiaries and associate companies which are company 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 have been received by the Company or any of such subsidiaries and associates from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company or any 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 such audit procedures as considered reasonable and appropriate in the circumstances performed by us and those performed by other auditors of subsidiary 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 per the other auditor to believe that the representations under sub-clause iv(a) and iv (b) contain any material mis-statement.
- v. During the year no dividend is declared or paid by the holding company, its Subsidiaries Company and associates.
- i) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the Financial year ended 31st March 31, 2023.

For Vatsaraj & Co.
Chartered Accountants
FRN: 111327W

Dr CA B.K. Vatsaraj
Partner
M. No.:039894
UDIN: 23039894BGZCS08790

Mumbai, 15th May, 2023

Annexure A to the Independent Auditors' Report on Consolidated Financial Statements of Patel Engineering Limited as on 31st March 2023, referred to in paragraph 1 under "Report on Other Legal and Regulatory requirement" section of our report of even date, we report the following:

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 Ltd.	L99999MH1949PLC007039	Holding Co.	i(c), vii(b)
2	Michigan Engineers Pvt. Ltd.	U45300MH1973PTC016515	Subsidiary	vii(b), xiv(b)
3	Friends Nirman Pvt. Ltd.	U70101MH2004PTC308856	Subsidiary	Xvii
4	Bhooma Realities Pvt. Ltd.	U45400MH2007PTC171064	Subsidiary	Xvii
5	Shashvat Land Projects Pvt. Ltd.	U70102MH2007PTC171886	Subsidiary	Xvii
6	Energy Design Pvt. Ltd.	U72900MH2009PTC193475	Subsidiary	Xvii
7	Shreeanant Construction Pvt. Ltd.	U45200MH2005PTC158079	Subsidiary	vii(a) &(b), xvii
8	Hampus Infrastructure Pvt. Ltd.	U74999MH2018PTC374634	Subsidiary	Xvii
9	PBSR Developers Pvt. Ltd.	U45209TG2012PTC078886	Subsidiary	vii(b), xvii
10	Hera Realcon Pvt. Ltd.	U70109MH2007PTC166825	Subsidiary	Xvii
11	Patel Energy Ltd.	U70100MH1996PLC102612	Subsidiary	xviii
12	Dirang Energy Pvt. Ltd.	U40101MH2008PTC330438	Subsidiary	xvii
13	Saskang Rong Energy Pvt. Ltd.	U40108MH2008PTC185929	Subsidiary	vii(b)

For Vatsaraj & Co.
Chartered Accountants
FRN: 111327W

Dr CA B.K. Vatsaraj
Partner
M. No.:039894
UDIN: 23039894BGZCS08790

Mumbai, 15th May, 2023



ANNEXURE B to Independent Auditors' Report on the Consolidated Financial Statement of Patel Engineering Limited.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act, referred to in paragraph 2(f) under "Report on Other Legal and Regulatory requirement" section of our report of even date.

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, 2023, 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 Over Financial Reporting

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 over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated Financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods

are subject to the risk that the internal financial control over financial reporting 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, 2023, 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 and 21 subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and branch incorporated in India

For Vatsaraj & Co.

Chartered Accountants

FRN: 111327W

Dr CA B.K. Vatsaraj

Partner

M. No.:039894

UDIN: 23039894BGZCS08790

Mumbai, 15th May, 2023

Consolidated Balance Sheet as at March 31, 2023

	Notes	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
I. ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	2	12,497.32	11,318.69
(b) Capital work-in-progress		2,944.44	2,826.38
(c) Intangible assets		12.48	9.31
(d) Goodwill on consolidation		282.00	282.00
(e) Right to use assets		150.85	195.05
(f) Financial assets			
(i) Investments	3	1,242.26	816.08
(ii) Trade receivables	4	3,606.79	4,935.47
(iii) Loans	5	887.94	766.19
(iv) Other financial assets	6	6,228.73	5,726.65
(g) Deferred tax assets (net)	7	2,137.18	1,973.68
(h) Current tax assets (net)	8	940.01	554.50
(i) Other non current assets	9	2,133.04	2,113.05
Total non current assets		33,063.04	31,517.06
2 Current assets			
(a) Inventories	10	37,435.33	35,905.95
(b) Financial assets			
(i) Trade receivables	4	5,313.74	5,619.27
(ii) Cash and cash equivalents	11	2,112.25	2,605.78
(iii) Other bank balances	12	9.27	7.15
(iv) Loans	5	60.08	106.08
(v) Other financial assets	6	2,278.84	1,950.13
(c) Current tax assets (net)	8	7.09	125.58
(d) Other current assets	9	7,220.16	7,265.01
(e) Assets classified as held for sale	13	-	-
Total Current Assets		54,436.76	53,584.95
TOTAL ASSETS		87,499.80	85,102.00
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	14	773.62	479.23
(b) Other equity		28,105.95	23,357.76
Equity attributable to owners of the parent		28,879.57	23,836.99
Non-controlling interests		878.20	714.11
Total equity		29,757.77	24,551.10
2 Liabilities			
Non current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	5,354.71	7,607.14
(ii) Lease liabilities	16	81.84	191.83
(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		6,182.15	5,771.25
(iv) Other financial liability	18	2,235.73	1,912.39
(b) Provisions	19	175.89	148.54
(c) Other non current liabilities	20	5,710.50	6,821.76
(d) Deferred revenue	21	78.92	64.73
Total non current liabilities		19,819.74	22,517.64
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	12,166.57	15,008.99
(ii) Lease liability	16	97.30	110.45
(iii) Trade payables	23		
a) Total outstanding dues of micro enterprises and small enterprises		93.81	96.84
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		15,425.10	13,141.20
(iv) Other financial liabilities	24	259.33	220.08
(b) Provisions	19	51.49	59.68
(c) Other current liabilities	25	9,828.69	9,396.02
Total current liabilities		37,922.29	38,033.26
TOTAL EQUITY AND LIABILITIES		87,499.80	85,102.00
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 Vatsaraj & Co.
Firm Regn No: 111327W
Chartered Accountants
Dr CA B. K. Vatsaraj
Partner
Membership No. 039894
Place : Mumbai
Date : May 15, 2023

For and on behalf of Board

Rupen Patel
Chairman &
Managing Director
DIN : 00029583

Kavita Shirvaikar
Chief Financial Officer &
Director
DIN : 07737376

Shobha Shetty
Company Secretary
Mem. No.: F10047

Sunil Sapre
Director
DIN : 05356483

Consolidated Statement of Profit and Loss for the year ended March 31, 2023

	Notes	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
I. Revenue from operations	26	42,019.71	33,803.05
II. Other income	27	1,203.53	1,162.06
III. Total income (I + II)		43,223.24	34,965.11
IV. Expenses:			
Cost of construction	28	30,614.22	24,440.50
Employee benefits expense	29	3,407.69	2,665.24
Finance costs	30	4,184.23	4,195.27
Depreciation and amortization expense	2	933.03	818.99
Other expenses	31	1,749.04	1,419.99
Total expenses		40,888.21	33,539.99
V. Profit/(loss) before exceptional items and tax (III-IV)		2,335.03	1,425.12
VI. Exceptional items	32	8.14	304.94
VII. Profit/(loss) before tax (V - VI)		2,326.89	1,120.18
VIII. Tax expense:			
(1) Current tax		873.05	382.32
(2) Tax adjustments for earlier years		(184.57)	1.57
(3) Deferred Tax		(149.61)	47.54
IX. Profit/(loss) for the year (VII-VIII)		1,788.02	688.75
X. Share in profit in associates (net)		46.79	32.23
IX. Net profit/(loss) after tax and share in profit/(loss) in joint ventures / associates		1,834.81	720.98
XII. Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(123.94)	(76.85)
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.04	4.42
XIII. Total other comprehensive income		(123.90)	(72.43)
XIV. Total comprehensive income for the year (XI+XIII) (comprising profit/(loss) and other comprehensive income for the year)		1,710.91	648.55
XV. Minority interest		162.85	98.49
XVI. Owners of the parent (XIV- XV)		1,548.06	550.06
XVII. Earnings per equity share			
(1) Basic	37	3.19	1.51
(2) Diluted		2.23	1.49
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 Vatsaraj & Co.
Firm Regn No: 111327W
Chartered Accountants

Dr CA B. K. Vatsaraj
Partner
Membership No. 039894

Place : Mumbai
Date : May 15, 2023

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

Consolidated Cash Flow Statement for the year ended March 31, 2023

	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit after tax	1,834.81	720.98
Adjustment for:		
Depreciation/ amortisation	933.03	818.99
Tax expenses	538.86	431.44
Finance charges	4,184.23	4,195.27
Interest income and dividend received	(595.75)	(589.12)
Foreign exchange loss/ (gain)	(108.67)	(118.67)
Provision for leave salary	23.59	28.78
Provision for gratuity	(4.43)	(4.29)
Share in associates	46.79	32.23
Share in JV	89.82	(108.94)
Provision for impairment	251.19	224.64
Profit on sale of assets	(21.21)	(5.13)
Excess credit written back	(397.62)	(161.28)
Irrecoverable debts and advances written off (net)	23.14	169.06
ESOP compensation expenses	-	0.44
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	6,797.77	5,634.38
Adjustment for changes in:		
Trade and other receivables	1,213.38	(2,761.45)
Inventories	(1,712.76)	211.78
Trade and other payables (excluding income tax)	1,581.51	2,869.75
Cash from operations	7,879.90	5,954.47
Direct tax paid	(954.18)	(812.19)
NET CASH FROM OPERATING ACTIVITIES (A)	6,925.72	5,142.28
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase) / adjustments of fixed assets (including capital work-in-progress and capital advances)	(1,834.37)	(1,583.04)
Sale of fixed assets	110.79	149.21
Decrease / (increase) in loans to JV/ associates	(97.75)	144.54
Remeasurement of assets held for sale	-	1.00
Sale / purchase of investments & marketable securities	(49.87)	(103.61)
Purchase of investments & marketable securities	(490.59)	-
Increase in other bank balances	119.29	84.42
Interest and dividend received	69.64	100.97
NET CASH USED IN INVESTING ACTIVITIES (B)	(2,172.86)	(1,206.51)

Consolidated Cash Flow Statement for the year ended March 31, 2023

	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of shares	3,157.49	(0.00)
Proceeds from borrowings including cash credit limit	110.75	2,724.73
Repayment of borrowings including cash credit limit	(5,246.66)	(2,920.33)
Finance charges paid	(3,376.65)	(3,202.28)
NET CASH USED IN FINANCING ACTIVITIES (C)	(5,355.07)	(3,397.88)
Net Increase/(decrease) in cash and cash equivalent (A+B+C)	(602.21)	537.89
Opening balance of cash and cash equivalents	2,605.78	1,949.22
Balance of cash and cash equivalents	2,003.57	2,487.11

Notes to cash flow statement :

a) Cash and cash equivalents

Cash on hand and balance with banks	2,112.25	2,605.78
Effect of exchange rate changes	(108.67)	(118.67)
Closing cash and cash equivalents as restated	2,003.57	2,487.11

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

c) Reconciliation of liabilities arising from financing activities

	March 31, 2023	Opening balance	Cash flow	Non - cash changes	Closing balance
Borrowings (including short term borrowing, long term borrowing & current maturity) & lease liability		22,918.40	(5,135.91)	(82.06)	17,700.43
Total		22,918.40	(5,135.91)	(82.06)	17,700.43

	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	(195.60)	152.02	22,918.40
Total		22,961.98	(195.60)	152.02	22,918.40

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

For Vatsaraj & Co.

Firm Regn No: 111327W
Chartered Accountants

Dr CA B. K. Vatsaraj

Partner
Membership No. 039894

Place : Mumbai

Date : May 15, 2023

For and on behalf of Board

Rupen Patel
Chairman &
Managing Director
DIN : 00029583

Kavita Shirvaikar
Chief Financial Officer &
Director
DIN : 07737376

Shobha Shetty
Company Secretary
Mem. No.: F10047

Sunil Sapre
Director
DIN : 05356483

Consolidated Statement of Changes in Equity for the year ended March 31, 2023

(A) EQUITY SHARE CAPITAL

Particulars	Number of shares	₹ Million
Equity shares of ₹ 1/- each issued, subscribed and paid		
As at 31 March 2021	46,54,53,024	465.45
Issue of equity shares	1,37,77,470	13.78
As at 31 March 2022	47,92,30,494	479.23
Issue of equity shares	29,43,86,734	294.39
As at 31 March 2023	77,36,17,228	773.62

(B) OTHER EQUITY

Particulars	Reserves and surplus										Total equity attributable to equity holders		
	Equity component of compound financial instruments	Capital reserve	Capital reserve on amalgamation	General reserve	Securities premium	Debt redemption reserve	Stock option outstanding account	Foreign currency monetary item translation difference	Capital redemption reserve	Surplus in the statement of profit and loss		Total equity attributable to equity holders	
As at March 31, 2021	-	277.57	-	3,000.62	14,939.98	30.64	1.56	385.61	300.00	3,794.24	22,730.21	612.90	23,343.12
Business combination (note no 57)	-	-	(0.23)	-	-	-	-	-	-	(1.63)	(1.86)	-	(1.86)
Restated balance as at April 1, 2021	-	277.57	(0.23)	3,000.62	14,939.98	30.64	1.56	385.61	300.00	3,792.61	22,728.35	612.90	23,341.26
- Profit for the year	-	-	-	-	-	-	-	-	-	622.49	622.49	98.49	720.98
- Other comprehensive income for the year	-	-	-	-	-	-	-	(83.67)	-	11.24	(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)
- Adjustment on account fluctuation in foreign exchange	-	-	-	-	-	-	-	-	-	-	-	-	-
- Issued during the year	-	-	-	-	189.85	-	-	-	-	-	-	189.85	189.85
- Issue of equity shares	-	-	-	-	-	-	-	-	-	-	-	-	-
- Stock option	-	-	-	-	-	-	(1.56)	-	-	-	(1.56)	-	(1.56)
As at March 31, 2022	-	277.57	(0.23)	3,000.62	15,129.83	30.64	-	301.94	300.00	4,317.39	23,357.76	714.11	24,071.87

₹ Million

Particulars	Reserves and surplus										Total equity attributable to equity holders	
	Equity component of compound financial instruments	Capital reserve	Capital reserve on amalgamation	General reserve	Securities premium	Debenture redemption reserve	Stock option outstanding account	Foreign currency monetary item translation difference	Capital redemption reserve	Surplus in the statement of profit and loss		Total equity attributable to equity holders
- Profit for the year	-	-	-	-	-	-	-	-	-	1,671.96	1,671.96	1,834.81
- Other comprehensive income for the year	-	-	-	-	-	-	(133.24)	-	-	9.34	(123.90)	(123.90)
- Adjustment during the year	-	-	-	-	(2.81)	-	-	-	-	-	(2.81)	(1.57)
- Adjustment on account of consolidation of joint venture	-	-	-	-	-	-	-	-	-	89.83	89.83	89.83
- Adjustment on account fluctuation in foreign exchange	-	-	-	-	-	-	-	-	-	-	-	-
- Issued during the year	-	-	-	-	3,113.11	-	-	-	-	-	3,113.11	3,113.11
- Issue of equity shares	-	-	-	-	-	-	-	-	-	-	-	-
- Stock option	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2023	-	277.57	(0.23)	3,000.62	18,240.13	30.64	-	168.70	300.00	6,088.52	28,105.95	878.20 28,984.15

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

Capital reserve on amalgamation : As per IND AS 103 read with appendix C, difference between the purchase consideration and net book value shall be accounted as capital reserve.

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

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

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

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

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

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

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

Notes to Consolidated Financial Statement for the year ended March 31, 2023

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 15, 2023.

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.

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

Notes to Consolidated Financial Statement for the year ended March 31, 2023

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:

- Estimation of defined benefit obligation
- Estimation of useful life of property, plant and equipment and intangibles
- Estimation of total contract revenue and costs for revenue recognition
- Estimation of recognition of deferred taxes
- Estimation of impairment of financial assets (i.e. expected credit loss on trade receivables)
- Estimation of provision and contingent liabilities
- Estimation on discounting of lease liability on application of Ind AS 116

g) Property, plant and equipment

Property, plant and equipment (PPE) are stated at net of recoverable taxes, trade discount and rebates less accumulated depreciation and accumulated impairment losses, if any.

Such 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 and the

cost can be measured reliably.

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. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss.

f) Intangible assets

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated depreciation / amortisation and impairment loss, if any.

Such cost comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably.

h) Depreciation

Depreciation on the property, plant and equipment (other than freehold land) is provided based on useful life of the assets as prescribed in Schedule II to the Act. Depreciation on property, plant and equipment, which are added/disposed-off during the year, is provided on pro-rata basis with reference to the month of addition/deletion, in the profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and, if expectations differ from previous estimates, the change(s) are accounted for as a change in an accounting estimate in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

The estimated useful lives are as follows:

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

Notes to Consolidated Financial Statement for the year ended March 31, 2023

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

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

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

Intangible assets

The Group amortises intangible assets with a finite useful life using the straight-line method over the following periods:

Computer software 3 years

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 land, construction materials, stores, spare parts, 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. Cost includes expenditures incurred in acquiring the inventories, conversion costs and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated cost necessary to make the sale.

Work in progress in respect of project development and buildings held as stock-in-trade are valued at cost or net realizable value, whichever is lower.

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

k) Recognition of income and expenditure

Revenue toward satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The Group satisfies a performance obligation and recognises revenue over time, if one of the following criterias is met:

1. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

i) Construction revenue

The Company constructs various infrastructure projects on behalf of clients. Under the terms of the contracts, where the Company is contractually restricted from redirecting the properties to another customer and has an enforceable right to payment for work done; revenue is recognised over a period of time. The percentage-of-completion of a contract

Notes to Consolidated Financial Statement for the year ended March 31, 2023

is determined by the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs. 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. Advances received from customers in respect of contracts are treated as liabilities and adjusted against progress billing as per terms of the contract. Progress payments received are adjusted against amount receivable from customers in respect of the contract work performed.

Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration. When the outcome of a construction contract can not be estimated reliably, contract revenue is recognised only to the extent of contract cost incurred that are likely to be recoverable.

Consideration is adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Company.

Revenue from trading and consultancy service are recognised when it transfers control of a product or service to a customer.

ii) Revenue from Real estate development contracts

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. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary items denominated in foreign currency at prevailing reporting date exchange rates are recognised in profit or loss.

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 Consolidated Financial Statement for the year ended March 31, 2023

However, Michigan Engineers Private Limited opted to recognize the exchange differences in the statement of profit and loss.

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

m) Financial instrument:

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

(I) Financial asset:

Initial recognition and measurement :

All financial assets 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. However, trade receivables that do not contain a significant financing component are measured at transaction price. 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 assets 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.

Equity instruments

All investments in equity instruments classified under financial assets are

Notes to Consolidated Financial Statement for the year ended March 31, 2023

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) Lease receivables
- (c) Trade receivables or any contractual right to receive cash or another financial asset
- (d) Loan commitments which are not measured at FVTPL
- (e) Financial guarantee contracts which are not measured at FVTPL

(II) Financial liability

Initial recognition and measurement :

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

Subsequent measurement :

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

Financial liabilities at amortized cost:

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

The Group is classifying the following under amortized cost

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

Derecognition:

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

n) Financial derivative and hedging transactions

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

Notes to Consolidated Financial Statement for the year ended March 31, 2023

o) Fair value measurement

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

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

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

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

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

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

p) Employee benefits

Short term employee benefits :

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

Defined contribution plans

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

Defined benefit plans :

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

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

q) Taxation

The tax expenses for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income. In which case, the tax is also recognised in Other Comprehensive Income.

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 at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, using the enacted tax rates or tax rates that are substantively enacted at the balance

Notes to Consolidated Financial Statement for the year ended March 31, 2023

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 recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

r) Provisions, contingent liabilities and contingent assets

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

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

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

s) Employees stock option plan

Compensation expenses under “employee stock option plan” representing excess of fair price of the shares on the date of grant of option over the exercise price of option is amortized on a straight-line basis over the vesting period.

t) Borrowing cost

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

u) Leases

As per IND AS 116

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The

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

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

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

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

Short-term leases and leases of low-value assets

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

Notes to Consolidated Financial Statement for the year ended March 31, 2023

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.

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 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of financial statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting policies, changes in accounting estimates and errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

Notes to Consolidated Financial Statement for the year ended March 31, 2023

Note : 2 PROPERTY, PLANT AND EQUIPMENT AS AT MARCH 31, 2023

₹ Million

Particulars	Gross block				Depreciation and amortization				Net book value				
	As at April 1, 2022	Addition	Deduction/retirement	Sub total	Foreign currency fluctuation	As at March 31, 2023	As at April 1, 2022	For the year	Deduction	Sub total	Foreign currency fluctuation	As at March 31, 2023	As at March 31, 2022
TANGIBLE ASSETS													
Land ¹	6,703.94	-	-	6,703.94	-	6,703.94	-	-	-	-	-	6,703.94	6,703.94
Building ²	517.75	281.55	-	799.30	3.22	802.52	208.82	10.63	-	219.45	3.19	222.64	308.93
Plant and equipment	8,423.26	1,614.50	326.91	9,714.85	4.02	9,714.87	4,669.50	715.20	242.86	5,141.84	0.18	5,142.02	3,753.76
Lease plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture and fixtures	101.22	2.51	31.32	72.41	0.13	72.54	91.95	2.40	31.28	63.07	0.13	63.20	9.27
Vehicles ³	1,617.76	167.43	127.99	1,657.20	0.13	1,657.33	1,201.55	95.81	123.25	1,174.11	0.13	1,174.24	416.21
Lease vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-
Office equipments	69.73	1.73	36.69	34.77	0.11	34.88	61.33	2.95	36.67	27.61	0.11	27.72	8.40
Others ⁴	34.66	-	-	34.66	-	34.66	28.72	0.55	-	29.27	-	29.27	5.94
Electric equipment	152.54	57.92	29.39	181.07	-	181.07	88.41	19.16	28.72	78.85	-	78.85	64.13
Computer equipments	151.42	17.85	54.18	115.09	0.11	115.20	120.19	19.58	54.12	85.65	0.11	85.76	31.23
Container	11.54	1.00	-	12.54	-	12.54	7.60	0.93	-	8.53	-	8.53	3.94
Total	17,783.82	2,144.49	606.48	19,321.83	7.72	19,329.55	6,478.07	867.21	516.90	6,828.38	3.85	6,832.23	11,318.69
RIGHT TO USE													
Building	32.50	3.20	-	35.70	-	35.70	7.90	10.54	-	18.44	-	18.44	24.60
Land	3.15	-	-	3.15	-	3.15	1.06	1.06	-	2.12	-	2.12	2.09
Plant and equipment	490.26	-	-	490.26	-	490.26	315.89	47.30	-	363.19	-	363.19	174.37
Vehicles	12.06	-	-	12.06	-	12.06	5.12	1.46	-	6.58	-	6.58	6.94
Total	537.97	3.20	-	541.17	-	541.17	329.97	60.36	-	390.33	-	390.33	195.05
Less : Transferred to capital WIP													
TOTAL PE AND RIGHT TO USE	18,321.79	2,147.69	606.48	19,863.00	7.72	19,870.72	6,808.04	927.57	516.90	7,218.71	3.85	7,222.56	11,513.75
INTANGIBLE ASSETS													
Computer software	69.64	8.63	8.71	69.56	-	69.56	60.33	5.47	8.71	57.08	-	57.08	9.31
Goodwill	282.00	-	-	282.00	-	282.00	-	-	-	-	-	282.00	282.00
Total	351.64	8.63	8.71	351.56	-	351.56	60.33	5.47	8.71	57.08	-	57.08	291.31
Capital Work-in-Progress	2,826.38	107.09	2.74	2,930.73	13.71	2,944.44	-	-	-	-	-	2,944.44	2,826.38
GROSS TOTAL	21,499.81	2,263.41	617.92	23,145.29	21.43	23,166.72	6,868.37	933.04	525.61	7,279.65	3.85	7,279.65	14,631.44

Notes to Consolidated Financial Statement for the year ended March 31, 2023

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	6,044.22	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 (merged entities) of Patel Engineering Limited	FY 2021-22	These land is acquired through merger order given by Competent authority and the same is in process of transferring in the name of the company.
Property Plant & Equipment	Land & Building	183.34	PEL Power Limited			
Property Plant & Equipment	Land	7.64	PEL Power Limited			
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. The land was purchased accordingly.
Property, plant & equipment	Land	23.71	Mrs. Silloo Yezdi Patel	Ex-director	FY 2001-02	
Property, plant & equipment	Land	4.07	Mr. Rupen Pravin Patel	Director	FY 2000-01	

2 a) Building includes building [Gross block - ₹ 615.07 million (P.Y. ₹ 330.30 million), accumulated depreciation ₹ 119.80 million (P.Y. ₹ 112.22 million)] and factory building [Gross block - ₹ 187.45 million (P.Y. ₹ 187.45 million), accumulated depreciation ₹ 102.90 million (P.Y. ₹ 96.60 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 ₹ 539.40 million (₹ 37.12 million) not commissioned/erected/put to use.

Vehicles includes	Gross block 2022-23	Gross block 2021-22	Acc dep. 2022-23	Acc dep. 2021-22
Motor car	340.67	335.40	247.96	255.17
Motor truck	1,325.42	1,290.79	930.26	948.39
Motor cycle	3.29	3.62	2.55	3.06

Others include	Gross block 2022-23	Gross block 2021-22	Acc dep. 2022-23	Acc dep. 2021-22
Ship	0.06	0.06	0.06	0.06
Rails and trolley	34.60	34.60	29.20	28.65

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	158.15	2.01	0.69	1,095.27	1,256.11
Project temporary suspended*	0.28	0.30	87.11	1,600.65	1,688.33

* 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 Statement for the year ended March 31, 2023

PROPERTY, PLANT AND EQUIPMENT AS AT MARCH 31, 2022

₹ Million

Particulars	Gross block				Depreciation and amortization				Net book value					
	As at April 1, 2021	Business combination	Addition	Deduction/retirement	Sub total	Foreign currency fluctuation	As at March 31, 2022	For the year April 1, 2021	Impairment	Deduction	Sub total	Foreign currency fluctuation	As at March 31, 2022	As at March 31, 2021
TANGIBLE ASSETS														
Land ¹	2,464.45	4,213.81	25.68	-	6,703.94	-	6,703.94	-	-	-	-	-	6,703.94	6,678.26
Building ²	623.34		6.07	113.13	516.28	1.47	517.75	12.33	13.74	207.44	1.38	208.82	308.93	414.49
Plant and equipment ³	7,490.30		1,319.03	386.17	8,423.16	0.10	8,423.26	624.77	352.63	4,669.41	0.09	4,669.50	3,753.76	3,093.03
Furniture and fixtures	95.44		6.05	0.34	101.15	0.07	101.22	1.74	0.06	91.88	0.07	91.95	9.27	5.24
Vehicles ⁴	1,392.70		241.75	16.76	1,617.69	0.07	1,617.76	73.24	15.46	1,201.48	0.07	1,201.55	416.21	249.00
Office equipments	63.27		6.42	0.01	69.68	0.05	69.73	1.98	-	61.28	0.05	61.33	8.40	3.97
Others ⁵	40.07		5.28	10.69	34.66	-	34.66	1.08	1.34	28.72	-	28.72	5.94	11.09
Electric equipment	113.44		39.41	0.31	152.54	-	152.54	10.95	0.19	88.41	-	88.41	64.13	35.79
Computer equipments	132.93		18.80	0.37	151.36	0.06	151.42	14.67	0.36	120.13	0.06	120.19	31.23	27.11
Container	11.35		0.19	-	11.54	-	11.54	1.06	-	7.60	-	7.60	3.94	4.81
Total	12,427.29	4,213.81	1,668.68	527.78	17,782.00	1.82	17,783.82	741.82	-	383.78	6,476.35	1.72	6,478.07	10,522.79
RIGHT TO USE⁶														
Building	3.69		28.81	-	32.50	-	32.50	5.60	-	7.90	-	7.90	24.60	1.38
Land			3.15	-	3.15	-	3.15	1.06	-	1.06	-	1.06	2.09	-
Plant and equipment	468.90		21.49	0.13	490.26	-	490.26	65.97	0.05	315.89	-	315.89	174.37	218.93
Vehicles	12.06				12.06	-	12.06	1.46	-	5.12	-	5.12	6.94	8.40
Total	484.65		53.45	0.13	537.97	-	537.97	74.09	-	329.97	-	329.97	195.05	228.71
Less : Transferred to capital WIP								2.50	-	-	2.50	-	-	-
TOTAL PPE AND RIGHT TO USE	12,911.94	4,213.81	1,722.13	527.91	18,319.97	1.82	18,321.79	813.41	-	383.83	6,806.32	1.72	6,808.04	10,751.50
INTANGIBLE ASSETS														
Computer software	61.12		8.52	-	69.64	-	69.64	3.08	-	60.33	-	60.33	9.31	3.87
Goodwill	283.86	(1.86)	-	-	282.00	-	282.00	-	-	-	-	-	282.00	282.00
Total	344.98	(1.86)	8.52	-	351.64	-	351.64	3.08	-	60.33	-	60.33	291.31	285.87
Capital Work-in-Progress	6,786.06	(3,982.85)	2.61	(5.40)	2,811.22	15.16	2,826.38	-	-	-	-	-	2,826.38	2,803.22
GROSS TOTAL	20,042.98	229.10	1,733.26	522.51	21,482.83	16.98	21,499.81	816.49	-	383.83	6,866.65	1.72	6,868.37	13,840.59

Notes to Consolidated Financial Statement for the year ended March 31, 2023

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	6,044.22	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 (merged entities) of Patel Engineering Limited	FY 2021-22	Entities are part of merger scheme and they will merge with company on receipt of merger order from competent authority.
Property, plant & equipment	Land & building	183.34	PEL Power Limited			
Property, plant & equipment	Land	7.64	PEL Power Limited			
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. The land was purchased accordingly.
Property, plant & equipment	Land	23.71	Mrs. Silloo Yezdi Patel	Ex-director	FY 2001-02	
Property, plant & equipment	Land	4.07	Mr. Rupen Pravin Patel	Director	FY 2000-01	

2 a) Building includes building [gross block - ₹ 330.30 million (P.Y. ₹ 440.38 million), accumulated depreciation ₹ 112.22 million (P.Y. ₹ 118.54 million)] and factory building [gross block - ₹ 187.45 million (P.Y. ₹ 182.96 million), accumulated depreciation ₹ 96.60 million (P.Y. ₹ 90.31 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 ₹ 37.12 Million (P.Y. ₹ 37.37 million) not commissioned/erected/put to use.

4

Vehicles includes	Gross block 2021-22	Gross block 2020-21	Acc dep. 2021-22	Acc dep. 2020-21
Motor car	335.40	318.54	255.17	237.73
Motor truck	1,290.79	1,082.59	948.39	906.79
Motor cycle	3.62	3.62	3.06	2.81

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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

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	55.93	0.69	124.42	1,138.18
Project temporary suspended*	0.30	87.11	442.97	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 Statement for the year ended March 31, 2023

NOTE : 3

INVESTMENT

NON-CURRENT INVESTMENTS	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
- 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	8.02	8.25
In associates		
Other investments (accounted under equity method)		
Nil (26,672,000) of Raichur Sholapur Transmission Company Ltd., face value ₹ 10/- per share	-	111.13
10,006,000 shares (10,006,000) of Patel KNR Heavy Infrastructures Ltd., face value ₹ 10/- per share	321.89	306.10
52,600 shares (52,600) of Pan Realtors Pvt. Ltd. face value ₹ 10/- per share	-	-
5,000 shares (5,000) of PLS Pvt. Ltd., face value LKR 10/- per share	2.74	2.82
8,495,040 shares (8,495,040) of ACP Tollways Pvt. Ltd., face value ₹ 100/- per share (includes goodwill of ₹ 2.77 million)	180.70	150.00
2,40,19,600 shares (2,40,19,600) of Hitodi Infrastructure Pvt. Ltd. face value ₹ 10/- per share	(0.00)	(0.00)
	505.33	570.05
Investment in government securities ^{iv}	0.12	0.14
Investment by joint venture	76.00	76.00
Investment in partnership firms ^v	-	-
Investment in mutual funds (At FVTPL, quoted)	660.73	169.89
Total	1,250.20	824.33
Less : provision for impairment ⁱⁱⁱ	7.94	8.25
TOTAL NON -CURRENT INVESTMENT	1,242.26	816.08

- I. Aggregated amount of unquoted investments as at March 31, 2023 ₹ 581.53 million (P.Y. ₹ 646.18 million).
- II. Aggregated amount of quoted investments as at March 31, 2023 ₹ 660.73 million, market value ₹ 660.71 million (P.Y. ₹ 168.89 million, market value ₹ 168.89 million).
- III. Aggregated amount of impairment in value of investments as at March 31, 2023 ₹ 7.94 million (P.Y. ₹ 8.25 million) (also refer note 13).
- IV. Includes investment in national saving certificates, in the name of directors, lodged with project authorities.

Notes to Consolidated Financial Statement for the year ended March 31, 2023

NOTE : 4 TRADE RECEIVABLES

	Non-current		Current	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Unsecured, considered good unless otherwise stated				
Receivables outstanding for a period exceeding six months				
Considered good	3,499.87	3,550.91	3,609.02	4,137.42
Considered doubtful	-	-	5.12	4.96
	3,499.87	3,550.91	3,614.14	4,142.38
Less : Provision for doubtful debts	-	-	5.12	4.96
(A)	3,499.87	3,550.91	3,609.02	4,137.42
Other receivables				
Considered good	106.92	1,384.56	1,704.72	1,481.85
(A+B)	3,606.79	4,935.47	5,313.74	5,619.27

- I There is no trade receivable due from any director or any officer of the Company, either severally or jointly with any other person, or form any firms or private companies in which any director is a partner, a director or a member.
- II Trade receivables, except receivables on account of claims awarded in arbitration in favour of the group, are non-interest bearing and are generally on term of 30 to 90 days.
- III Trade receivables are net of advances received against arbitration awards/claims of ₹ 4,887.40 millions (P.Y. ₹ 3,400.51 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, 2023							
Undisputed trade receivable - considered good	1,170.60	696.05	983.31	869.21	1,449.18	3,749.90	8,918.25
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	4.85	-	4.85
Undisputed trade receivables - credit impaired	-	-	-	-	2.39	663.05	665.44
	1,170.60	696.05	983.31	869.21	1,456.42	4,412.95	9,588.54
Less: allowance for doubtful debts	-	-	-	-	4.96	663.05	668.01
Total receivable	1,170.60	696.05	983.31	869.21	1,451.47	3,749.90	8,920.53
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
	2,055	674	699	1,040	1,414	4,678	10,560
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

Notes to Consolidated Financial Statement for the year ended March 31, 2023

NOTE : 5

LOANS

	Non-current		Current	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Balance in current account with associates / joint ventures / partnership firms				
Unsecured, considered good	887.94	766.19	60.08	106.08
Balance which have significant increase in credit risk	88.01	101.06	-	3.51
	975.95	867.25	60.08	109.59
Less: Provision for impairment	88.01	101.06	-	3.51
	887.94	766.19	60.08	106.08

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, 2023 ₹ Million	March 31, 2022 ₹ Million	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Cash and bank balances				
-On fixed deposits accounts with scheduled banks*	2,130.92	1,784.60	-	-
Deferred finance cost	70.31	56.83	-	-
Secured deposit				
Unsecured, considered good	2,260.10	2,410.56	2,089.27	1,781.55
Accrued interest	1,762.34	1,422.12	21.84	37.07
Others	5.06	52.54	167.73	131.51
	6,228.73	5,726.65	2,278.84	1,950.13

* Includes amount given towards margin money and earnest money deposits.

NOTE : 7

DEFERRED TAX ASSETS

	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Retained to depreciation on property, plant and equipment	52.80	28.71
Carry forward of an unused tax credit	620.98	620.98
Other disallowances under the income tax act	1,463.40	1,323.99
	2,137.18	1,973.68

Notes to Consolidated Financial Statement for the year ended March 31, 2023

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

	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Deferred income tax liability		
Disallowances on account of income tax act	(7.10)	(29.26)
Others	(0.05)	(0.46)
Deferred income tax asset		
Disallowances on account of income tax act	1,395.21	1,320.35
Timing difference on tangible and intangible assets depreciation and amortisation	59.90	57.97
Carry forward of an unused tax credit	620.98	620.98
Other	68.24	4.11
Total deferred tax assets (net)	2,137.18	1,973.68

NOTE : 8

CURRENT TAX ASSETS (NET)

	Non-current		Current	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Advance tax (net) ¹	940.01	554.50	7.09	125.58
	940.01	554.50	7.09	125.58

- Includes advance tax which is net of provision for tax ₹ 72.99 million (P.Y. ₹ 21.98 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, 2023 ₹ Million	March 31, 2022 ₹ Million
Profit / loss before income tax	2,326.89	1,120.18
Income tax expense calculated at 34.944%	813.11	391.43
Effect of expenses not allowed for tax purpose	335.07	4.96
Effect of income not considered for tax purpose	(276.37)	(2.00)
Others	(183.33)	(10.50)
	688.47	383.89

Notes to Consolidated Financial Statement for the year ended March 31, 2023

NOTE : 9

OTHER ASSETS

	Non-current		Current	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Capital advance				
Secured, considered good				
Unsecured, considered good	224.14	232.98	-	-
Security deposit				
Unsecured, considered good	1.20	-	-	-
Doubtful	16.76	16.76		
Advance recoverable				
Secured, considered good				
Unsecured, considered good	179.14	180.74	4,081.10	4,293.89
Doubtful	207.00	464.71	27.30	27.30
Prepaid expenses	228.65	208.68	657.85	473.25
Balance with statutory authorities	745.75	881.42	2,269.21	2,058.01
Accrued interest	-	-	0.02	-
Preoperative and preliminary expenses	706.15	606.50	-	-
Advance to suppliers	-	-	44.09	75.52
Other advances	46.82	1.50	23.39	247.02
Receivable on account of sale of long term investments	-	-	51.88	51.88
Non trade receivables	-	-	56.50	31.06
Advances to employees	1.19	1.23	36.12	34.38
	2,356.80	2,594.52	7,247.46	7,292.31
Less: Allowance for doubtful advances	223.76	481.47	-	-
Less: Provision for impairment	-	-	27.30	27.30
	2,133.04	2,113.05	7,220.16	7,265.01

NOTE : 10

INVENTORIES*

(At lower of cost or net realisable value)

	Current	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Stock of land	3,289.04	3,604.08
Stores, embedded goods and spare parts etc. (includes stores in transit ₹ 182.67 million (P.Y. ₹ 37.75 million))	2,727.27	2,421.10
Work-in-progress	31,419.02	29,880.77
	37,435.33	35,905.95

*(As technically valued and certified by the management)

Notes to Consolidated Financial Statement for the year ended March 31, 2023

NOTE : 11

CASH AND CASH EQUIVALENTS

	Current	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Balance with banks		
- On current accounts with scheduled banks	1,241.65	2,268.28
- On fixed deposits accounts with scheduled banks	840.42	306.46
- On fixed deposits accounts with foreign banks	21.35	21.35
- Foreign currency in hand	2.48	0.33
Cash on hand	6.34	9.36
	2,112.25	2,605.78

NOTE : 12

OTHER BANK BALANCES

	Current	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Deposits with maturity more than 3 months but less than 12 months	9.27	7.15
Balances with bank for unpaid dividend	-	-
	9.27	7.15

NOTE : 13

ASSETS CLASSIFIED AS HELD FOR SALE

	Current	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Investment		
2,50,000 shares (2,50,000) of Bellona Estate Developers Ltd., face value ₹ 10/- per	-	-
Less : provision for impairment	-	-
TOTAL ASSETS CLASSIFIED AS HELD FOR SALE	-	-

NOTE : 14

SHARE CAPITAL AND OTHER EQUITY

A) SHARE CAPITAL	March 31, 2023		March 31, 2022	
	No. of shares	₹ Million	No. of shares	₹ Million
a) Authorized				
Equity shares of ₹ 1/- each	9,95,43,00,000	9,954.30	2,75,00,00,000	2,750.00
Zero coupon optionally convertible preference shares of ₹ 1/- each*	80,00,00,000	800.00	80,00,00,000	800.00

* Pursuant to the merger scheme under section 230 to section 232 of the Companies act, 2013, which has been sanctioned by the National Company Law Tribunal, Mumbai Bench and Hyderabad Bench ('NCLT'), 14 subsidiaries of the Company has been merged with the Company and the authorised share capital of these subsidiaries is added to the authorised share capital of the Company w.e.f appointed date i.e. April 1, 2021.

Notes to Consolidated Financial Statement for the year ended March 31, 2023

	March 31, 2023		March 31, 2022	
	No. of shares	₹ Million	No. of shares	₹ Million
b) Issued, subscribed and fully paid up				
Equity shares of ₹ 1/- each	77,36,17,228	773.62	47,92,30,494	479.23
	77,36,17,228	773.62	47,92,30,494	479.23

c) Terms/rights attached to equity shares

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

d) Reconciliation of equity shares outstanding at the beginning and at end of the year	March 31, 2023		March 31, 2022	
	No. of shares	₹ Million	No. of shares	₹ Million
Outstanding at the beginning of the year	47,92,30,494	479.23	46,54,53,024	465.45
Add :- issued during the year	29,43,86,734	294.39	1,37,77,470	13.78
Outstanding at the end of the year	77,36,17,228	773.62	47,92,30,494	479.23

e) Share held by each shareholder more than 5%

Equity shares

Name of the shareholder	March 31, 2023		March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
i) Raahitya Constructions Pvt. Ltd. (erstwhile Patel Corporation LLP)	23,24,06,527	30.04	18,53,31,924	38.67
ii) Praham India LLP	4,01,95,352	5.20	4,01,95,352	8.39
iii) Mr. Rupen Pravin Patel	3,07,85,933	3.98	3,46,85,933	7.24

- 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 financial year 2021-22, 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.

Notes to Consolidated Financial Statement for the year ended March 31, 2023

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, 2023			March 31, 2022		
	No. of shares	% of total shares	% changes during the year	No. of shares	% of total shares	% changes during the year
i Mr. Rupen Patel	3,07,85,933	3.98	(11.24)	3,46,85,933	7.24	-
ii Raahitya Constructions Pvt. Ltd.	23,24,06,527	30.04	25.40	18,53,31,924	38.67	-
iii Praham India LLP	4,01,95,352	5.20	-	4,01,95,352	8.39	-
iv Ms. Alina Rupen Patel	12,90,000	0.17	-	12,90,000	0.27	-
v Ms. Chandrika Patel	1,49,900	0.02	-	1,49,900	0.03	-
vi Mr. Ryan Rupen Patel	90,000	0.01	-	90,000	0.02	-
Total	30,49,17,712	39.41	14.16	26,17,43,109	54.62	-

I) Share issued during the year

During the year, the allotment committee of the Company on July 25, 2022 allotted 2,39,61,525 equity shares of face value ₹ 1/- each for cash at par aggregating to ₹ 2,39,61,525 to Patel Engineering Employee Welfare Trust under Patel Engineering Employees' Stock Option Plan 2007 and on September 9, 2022, allotted 1,25,52,800 equity shares of face value ₹ 1/- each @ issue price of ₹ 25.36 per share (including a premium of ₹ 24.36 per share) aggregating to ₹ 31,83,39,008 to a category I registered FPI by way of on preferential allotment and money raised through private placement offer letter have been applied for the stated purpose under the private placement offer letter.

Further, the Company has issued and allotted 25,78,72,409 equity shares, by way of Rights issue to the existing shareholders of the Company, of the face value ₹ 1/- each at the price of ₹ 12.60 per equity share (including a premium of ₹ 11.60 per share) aggregating to ₹ 3,249.19 million. The utilisations of the money raised through Rights issue are in term of the Letter of offer. As on Mar 31, 2023, an amount of ₹ 529.50 Million is pending utilisation, kept in a separate bank account / temporary invested in fixed deposit and shall utilised for the purposes stated in the said Letter of Offer.

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

NOTE : 15

BORROWINGS

	Non-current portion		Current maturities	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
I Secured loans				
a) Debentures ¹	4,625.35	5,230.57	724.30	1,391.00
b) Term loans				
- From bank ²	629.36	1,553.68	443.41	1,170.22
- From others ³	100.00	572.89	328.00	237.85
II Unsecured loans				
- From related parties ⁴	-	250.00		
Amount disclosed under "other financial liabilities" in note no. 22	-	-	(1,495.71)	(2,799.07)
	5,354.71	7,607.14	-	-

Notes to Consolidated Financial Statement for the year ended March 31, 2023

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 ₹ 238.00 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 F.Y. 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, 2023 are as follows -

Tranche 1. (WCTL) ₹ 908.11 million (P.Y. ₹ 1,190.73 million), Tranche 2 (CC) ₹ 2,212.38 million (P.Y. ₹ 2,215.05 m 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. ₹ 9.93 million). These debentures have a face value of ₹ 1000 each aggregating to ₹ 3,882.62 million as on March 31, 2023 (P.Y. ₹ 4,167.89 million) and outstanding liabilities on these debenture under IND AS 109 is ₹ 3,369.25 million (P.Y. ₹ 4,805.17 million) as on March 23.

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 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.

- c) 9.57% secured redeemable non convertible debentures was allotted by Patel KNR Infrastructure Limited ('PKIL') on April 2, 2010 for a period of 17 years. These debentures have a face value of ₹ 1.0 million each aggregating to ₹ 1,563.40 million including ₹ 307.30 millions in current maturity. 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.
- 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.

Notes to Consolidated Financial Statement for the year ended March 31, 2023

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 F.Y. 20-21, due to Covid 19 pandemic, the lenders had invoked one time restructuring (OTR) which has been implemented in F.Y. 21-22 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%- 11.50% (floating) linked to Monitoring Institution's base rate.
- b) Term loan of ₹ 29.76 million (P.Y. ₹ 16.00 million) secured by hypothecation of specified motor vehicles acquired under the said loans. Interest rate ranging from 8.75% to 11.70% and repayment is over in 1-5 years. Included the top up of INR 57 million and secured by Hypothecation of TBM machine. Repayment is over 1-5 years.
- c) Term loan of Nil (P.Y. Nil) 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. ₹ 155.90 million) was taken during the financial year 2021-22 and carries interest MCLR (1 Year) + 1% p.a subject a maximum of 9.25% 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.

3 From others

- a) The term loan of ₹ 100.00 million (P.Y. ₹ 572.89 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 Nil (P.Y. ₹ 250.00 million).

NOTE : 16

LEASE LIABILITY

	Non-current		Current	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Lease liability	81.84	191.83	97.30	110.45
	81.84	191.83	97.30	110.45

Notes to Consolidated Financial Statement for the year ended March 31, 2023

NOTE : 17

TRADE PAYABLES*

	Non-current	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Trade creditors	467.91	741.49
Piece rate wages payable	2,591.04	2,549.97
Provisions - others	2,177.37	1,969.00
Capital creditors	945.83	510.79
	6,182.15	5,771.25

*Ageing of trade payable is given under note no 58

NOTE : 18

OTHER FINANCIAL LIABILITIES

	Non-current	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Retention deposits (contractually to be refunded after 1 year from completion of work)	223.51	245.11
Interest accrued but not due on borrowings	2,012.22	1,667.28
	2,235.73	1,912.39

NOTE : 19

PROVISIONS

	Non-current		Current	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Provision for employee benefits (refer note 34)				
Provision for gratuity	33.69	34.89	35.91	39.14
Provision for leave entitlements	142.20	113.65	15.58	20.54
	175.89	148.54	51.49	59.68

NOTE : 20

OTHER NON CURRENT LIABILITIES

	Non-current	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Contractee advances	4,763.38	5,909.40
Deposits	291.47	181.52
Other liability	655.65	730.84
	5,710.50	6,821.76

Notes to Consolidated Financial Statement for the year ended March 31, 2023

NOTE : 21

DEFERRED REVENUE

	Non-current	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Deferred revenue	78.92	64.73
	78.92	64.73

NOTE : 22

BORROWINGS

	Current	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
I Secured loans		
Short term loans		
- From bank ¹	-	-
- From other	277.00	262.41
Loans repayable on demand		
- From bank ²	9,588.71	11,098.63
II Unsecured loans		
- From others ³	75.00	100.00
- From related parties	730.15	748.88
III Current maturities of long-term debt	1,495.71	2,799.07
	12,166.57	15,008.99

Short term loan

- a) 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. The rates of Interest for these loans vary between 10%- 11.50% (floating) linked to Monitoring Institution's base rate. 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 sanction for the loans from March 2021 up to March 31, 2022.

Terms of repayment:

Cash credit- yearly renewal, rate of interest ranges between 10.35%-12.31% p.a. p.a. (P.Y. 10%-12.85% p.a.)

Notes to Consolidated Financial Statement for the year ended March 31, 2023

- b) i) Includes cash credit of ₹ 10.64 million (P.Y. Nil) is secured by first *pari passu* charge on the movable and immovable assets of the company except the assets specifically charged for project/lease based finance. Interest rate 13% to 14%.
- ii) Includes cash credit & working capital demand loan of ₹ 41.49 million (P.Y. Nil) is secured by first *pari passu* charge on the current assets and movable fixed assets (including plant & machinery) of the company 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 14% to 15%.
- iii) Above cash credit borrowings are further secured by corporate guarantee of the Holding company i.e. Patel Engineering Ltd.
- iv) Includes overdraft of Nil (P.Y. ₹ 0.38 million) is secured against the fixed deposit. Interest rate ranging from 6.5% to 7%
- c) Loan of ₹ 224.18 million (P.Y. ₹ 256.04 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 ₹ 730.15 million (P.Y. Rs. 748.88 million) and other ₹ 75.00 millions (P.Y. ₹ 100.00 million).

NOTE : 23

TRADE PAYABLES

	Current	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Total outstanding dues of micro enterprises and small enterprises (refer note no 42)	93.81	96.84
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Trade creditors	6,600.23	5,206.06
Piece rate wages payable	4,646.48	3,532.93
Provisions - others	4,178.39	4,402.21
	15,518.91	13,238.04

*Ageing of trade payable is given under note no 58

NOTE : 24

OTHER FINANCIAL LIABILITIES

	Current	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Interest accrued but not due on borrowings	101.65	105.76
Interest accrued and due on borrowings	16.12	30.96
Unpaid dividend	-	-
Deposits	141.32	83.29
Others	0.24	0.07
	259.33	220.08

The group has transferred Nil (P.Y. Nil) to Investor Education & Protection Fund as at March 31, 2023.

Notes to Consolidated Financial Statement for the year ended March 31, 2023

NOTE : 25

OTHER CURRENT LIABILITIES

	Current	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
(a) Other Liabilities		
Contractee advances	7,596.98	7,542.09
Other payables		
Payable to employees	576.92	558.13
Other liabilities	1,105.33	724.16
(b) Balance in current account		
(i) With subsidiaries, associates	0.17	0.17
(ii) With joint ventures	549.29	571.47
	9,828.69	9,396.02

NOTE : 26

REVENUE FROM OPERATIONS

	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
(a) Revenue/turnover		
Add: increase/(decrease) in work in progress	1,744.06	(171.41)
Sale of goods	0.24	1.10
Total turnover	41,188.81	32,321.58
(b) Other operating revenue		
Lease and service charges	0.86	0.96
Share of profit from partnership firm	-	0.68
Miscellaneous operating revenue	830.04	1,479.83
	42,019.71	33,803.05

Disaggregation of revenue on the basis of	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Primary geographical market wise		
Domestic	38,134.67	31,378.70
International	3,885.04	2,424.34
Major product/service lines wise	Business Segments	Business Segments
EPC	41,588.13	33,462.89
Real Estate	431.58	334.87
Others	-	5.28
Timing of revenue recognition wise		
At a point in time	1,262.72	1,817.44
Over period of time	40,756.99	31,985.61

Notes to Consolidated Financial Statement for the year ended March 31, 2023

NOTE : 27

OTHER INCOME

	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Gain on sale of assets (net)	20.91	5.13
Gain on sale of investments (net)	0.30	-
Other non operating income	337.26	287.86
Interest income	595.75	589.12
Net gain on foreign currency translation	108.67	118.67
Excess credit written back	140.64	161.28
	1,203.53	1,162.06

NOTE : 28

COST OF CONSTRUCTION

	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Stores, embedded goods and spare parts *		
Inventories at the beginning of the year	2,421.10	1,941.57
Add : purchase (net)	10,183.32	9,005.82
	12,604.42	10,947.39
Less : inventories at the end of the year	2,727.27	2,421.10
Consumption of stores and spares	9,877.15	8,526.29
Purchase of land / development rights	-	0.14
Piece rate expenses (net)	16,477.99	12,342.47
Repairs to machinery	60.50	50.63
Transportation, hire etc.	1,698.29	1,317.05
Power, electricity and water charges	693.30	597.39
Project development cost	31.80	26.64
Technical consultancy fees	170.15	202.83
Other construction costs	1,605.04	1,377.06
	30,614.22	24,440.50

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

NOTE : 29

EMPLOYEE BENEFITS EXPENSE

	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Salaries, wages and bonus	3,019.10	2,398.51
Contribution to provident and other funds (refer note no. 34)	188.65	106.35
Employee stock option (ESOP) (refer note no. 35)	-	0.44
Staff welfare expenses	199.94	159.94
	3,407.69	2,665.24

Notes to Consolidated Financial Statement for the year ended March 31, 2023

NOTE : 30

FINANCE COSTS

	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Interest expense	3,404.68	3,409.39
Other borrowing costs	779.55	785.88
	4,184.23	4,195.27

NOTE : 31

OTHER EXPENSES

	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Other administrative costs		
Rent	83.69	70.24
Repairs and maintenance - building	0.02	-
Insurance	299.33	160.68
Rates and taxes	187.12	206.42
Advertisement and selling expenses	24.19	4.59
Travelling and conveyance	87.72	51.08
Directors fees	2.59	1.57
Auditor's remuneration		
Audit fees	7.09	6.83
Limited review	0.80	0.90
Certification	4.49	0.24
Taxation and other services	0.06	0.06
	12.44	8.03
Communication expenses	18.04	15.19
Printing and stationery	21.57	15.93
Legal and consultancy charges	409.69	383.11
Loss on sale of asset discarded	0.58	24.48
Irrecoverable debts written off / provided	9.21	88.76
Other expenses	592.85	389.91
	1,749.04	1,419.99

NOTE : 32

EXCEPTIONAL ITEMS :

	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Reversal of provision made for future loss ^a	(653.30)	-
Provision for doubtful trade receivable ^b	663.05	-
Loss on sale of investment ^c	67.81	-
Provision for impairment on loan and advances ^d	-	69.08
Irrecoverable debts written off ^e	187.56	235.86
Excess credit written back ^f	(256.98)	-
	8.14	304.94

Notes to Consolidated Financial Statement for the year ended March 31, 2023

- a) On substantial completion of the project, company has reversed the provision made for future loss.
- b) During the current year, company has negotiated with the JDA partner for settlement of balance consideration which is accounted as receivable under IND AS against lump sum payment and recognized the provision for balance amount.
- c) Excess amount over and above loan and investment has written off during the year.
- d) Provision made for impairment based on indication of diminution in value of advance to a firm / associates.
- e) 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.
- f) Based on internal and external information company has reversed the provision made earlier,

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

A) Wholly owned (100%) subsidiaries:

1. Energy Design Pvt. Ltd.	14. Dirang Energy Pvt. Ltd. (DEPL)
2. Patel Engineering Inc.	15. West Kameng Energy Pvt. Ltd.
3. Patel Engineering (Mauritius) Ltd.	16. Digin Hydro Power Pvt. Ltd.
4. Patel Engineering Singapore Pte. Ltd.	17. Meyong Hydro Power Pvt. Ltd.
5. Patel Engineering Infrastructure Ltd.	18. Saskang Rong Energy Pvt. Ltd.
6. Vismaya Constructions Pvt. Ltd.	19. Hampus Infrastructure Pvt. Ltd.
7. Friends Nirman Pvt. Ltd.	20. Apollo Buildwell Pvt. Ltd. (till February 16, 2022)
8. Shreerant Construction Pvt. Ltd.	21. Arsen Infra Pvt. Ltd.
9. Patel Patron Pvt. Ltd.	22. PBSR Developers Pvt. Ltd.
10. Bhooma Realties Pvt. Ltd.	23. Lucina Realtors Pvt. Ltd.
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.	26. Naulo Nepal Hydro Electric Pvt. Ltd. (Till February 22, 2022)

B) Other subsidiaries:

Name of subsidiaries	% holding
1. Michigan Engineers Pvt. Ltd.	51.00%
2. Hera Realcon Pvt. Ltd.	97.30%
3. Patel Energy Ltd.	99.99%

Notes to Consolidated Financial Statement for the year ended March 31, 2023

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%	18. NEC-PEL- JV	45.00%
2. CICO Patel JV	99.90%	19. PEL - Ghodke	51.00%
3. Patel SEW JV	60.00%	20. PEL-ISC-PRATHMESH JV	50.00%
4. PATEL –KNR J.V.	50.00%	21. ISC Projects-PEL JV	49.00%
5. KNR – PATEL J.V.	49.00%	21. DK Joint Venture LLP	51.00%
6. PATEL – SOMA J.V	50.00%	23. PATEL-SA JV	75.00%
7. Patel – V Arks JV	65.00%	24. Era Patel Advance Kiran JV	47.06%
8. Patel VI JV	51.00%	25. Patel APCO JV	50.00%
9. Patel – Avantika – Deepika – BHEL	52.83%	26. Era Patel Advance JV	30.00%
10. Patel – V Arks - Precision	60.00%	27. Patel – Siddhivinayak JV	51.00%
11. Age Patel JV	49.00%	28. PATEL -CIVET-CHAITRA Micro(KA) JV	51.00%
12. PEL - UEIPL JV	60.00%	29. PEL-RAMAN JV	35.00%
13. PEL-PPCPL-HCPL JV	51.00%	30. VPRPL - PEL JV	51.00%
14. Onycon Enterprises	60.00%	31. Mokhabardi Micro Irrigation Project JV	51.00%
15. PEL-Gond JV	45.00%	32. PEL-PC JV	80.00%
16. HES Shuthaliya JV	45.00%		
17. PEL-Parbati JV	52.00%		

- D) Hitodi Infrastructure Pvt. Ltd., ACP Tollways Pvt. Ltd. and PAN Realtors Pvt. Ltd. (w.e.f. 4th January, 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 Statement for the year ended March 31, 2023

II Disclosures for defined benefit plan based on actuarial reports as on March 31, 2023 and March 31, 2022:

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

	₹ Million	
	Gratuity (Funded)	Gratuity (Non - funded)
Current service cost	28.19	6.64
	(20.82)	(7.08)
Interest cost (net)	9.11	2.56
	(6.45)	(2.10)
Net actuarial (gain) / losses	(4.45)	(9.08)
	(3.92)	(-3.05)
Total expenses recognized in the statement of profit and loss	32.86	0.12
	(31.19)	(6.13)

(ii) Reconciliation of the present value of defined benefit obligation and the fair value of assets (amount recognized in balance sheet):

	Gratuity (Funded)	Gratuity (Non - funded)
Present value of funded obligation as at the year end	(183.79)	(35.08)
	(-163.48)	(-36.30)
Fair value of plan assets as at the year end	84.37	-
	(37.43)	-
Funded liability recognized in the balance sheet	(99.43)	(35.08)
	(-126.05)	(-36.30)

(iii) Changes in defined benefit obligation :

	Gratuity (Funded)	Gratuity (Non - funded)
Liability at the beginning of the year	163.48	36.30
	(191.76)	(32.14)
Interest cost	11.82	2.56
	(9.47)	(2.10)
Current service cost	28.19	6.64
	(20.82)	(7.08)
Benefit paid	(15.65)	(1.82)
	(-9.98)	(-0.61)
Actuarial (gains) / losses on obligations	(4.04)	(8.59)
	(48.60)	(-4.41)
Liability at the end of the year	183.79	35.08
	(163.48)	(36.31)

Notes to Consolidated Financial Statement for the year ended March 31, 2023

(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	37.43	-
	(44.43)	-
Expected return on plan assets	2.71	-
	(3.02)	-
Contributions by the employer	59.48	-
	-	-
Benefit paid	(15.65)	-
	(-9.98)	-
Actuarial gain on plan assets	0.41	-
	(-0.05)	-
Fair value of plan assets at the end of the year	84.37	-
	(37.43)	-
Total actuarial gain to be recognized	(4.45)	-
	(48.55)	-

(v) Actual return on plan assets

	Gratuity (Funded)	Gratuity (Non - funded)
Expected return on plan assets	2.71	-
	(3.02)	-
Actuarial gain on plan assets	0.41	-
	(-0.05)	-
Actuarial gain on plan assets	3.11	-
	(2.97)	-

(vi) The Group expects to contribute ₹ 95.09 million (P.Y. ₹ 81.05 million) to gratuity funded plan in F.Y. 2023-24.

(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%	-

Notes to Consolidated Financial Statement for the year ended March 31, 2023

(viii) Sensitivity analysis for significant assumption is as below :

	Gratuity (Funded)	Gratuity (Non - funded)
Discount rate	7.56% (7.23%)	7.50% (7.25%)
Rate of increase in compensation levels	5.50% (5.50%)	5.50% (5.50%)
Expected rate of return on plan assets	7.56% (7.23%)	- -
Attrition rate	4.00% (4.00%)	4.00% (4.00%)
Average age of retirement (years)	62 (60)	60 (60)

(ix) Experience adjustments

	Gratuity (Funded)	Gratuity (Non - funded)
On plan obligation (gain)/loss	0.96 (3.44)	(7.71) (-2.99)
On plan asset (loss)/gain	0.41 (-0.05)	- -

(x) Expected employer's contribution in future years

	Gratuity (Funded)	Gratuity (Non - funded)
1 years	19.87 (29.09)	1.72 (2.93)
Between 2 to 5 years	50.72 (42.75)	12.40 (11.74)
Beyond 5 years	333.31 (242.86)	75.89 (77.74)
The weighted average duration of the defined benefit plan obligation at the end of the reporting period (years)	10 (9)	13 (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 ₹ 188.65 million (P.Y. ₹ 106.35 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 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.

Notes to Consolidated Financial Statement for the year ended March 31, 2023

a) Employee stock option scheme

Particulars	ESOP scheme
Number of option granted	2,00,000
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, 2023	March 31, 2022
	Nos.	Nos.
Outstanding at the beginning of the year	-	25,000
Grant during the year	-	-
Exercised during the year	-	25,000
Cancelled during the year	-	-
Lapsed during the year	-	-
Outstanding at the end of the year	-	-
Exercisable at the end of the year	-	-
Weighted average life of options	NA	NA

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 Statement for the year ended March 31, 2023

36 LEASE

Disclosure as per IND AS 116

Amount recognised under statement of profit and loss

Particulars	2022-23 ₹ Million	2021-22 ₹ Million
Depreciation	60.36	74.09
Interest on lease liability	31.01	37.80
Expenses related to short term leases	83.69	70.24
Total expenses	175.06	182.13

37 EARNING PER SHARE (EPS)

Particulars	2022-23 ₹ Million	2021-22 ₹ 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	1,834.81	720.98
Weighted average number of equity shares for basic EPS (in No)	52,46,25,625	47,52,29,365
Add: weighted average potential equity shares		
- On issue of optionally convertible debentures	35,59,40,628	21,19,06,025
Weighted average number of equity shares for diluted EPS (in No)	88,05,66,253	68,71,35,390
Face value of share ₹	1	1
Earning per share (basic) ₹	3.19	1.51
Earning per share (diluted) ₹	2.23	1.49

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. | 3. Bellona Estate Developers Ltd. (BEDL) |
| 2. Raichur Sholapur Transmission Company Pvt. Ltd. (till 9/11/2022) | 4. Hitodi Infrastructure Pvt. Ltd. (Formally known as Hitodi Infrastructure Ltd.) |

Associate of Patel Engineering Infrastructure Ltd.

- Patel KNR Heavy Infrastructure Ltd.

Associate of Lucina Realtor Pvt. Ltd.

- PAN Realtors Pvt. Ltd.

Notes to Consolidated Financial Statement for the year ended March 31, 2023

Joint ventures: (refer note 33 (c))

Partnership

- | | |
|---------------------------------------|---------------------|
| 1. AHCL PEL (Retired w.e.f 31.3.2022) | 2. Patel Advance JV |
|---------------------------------------|---------------------|

Others

- | | |
|-------------------------------------|---------------------|
| 1. Raahitya Constructions Pvt. Ltd. | 2. Praham India LLP |
|-------------------------------------|---------------------|

B. Key Management Personnel (KMP)

Mr. Rupen Patel	Chairman and Managing Director
Mr. Sunil Sapre	Whole Time Director
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	
	2022-23	2021-22
- Misc receipt	32.19	4.73
- Loans/advances given & Current account movement	7.45	221.29
- Loans / advances recovered / adjusted	140.78	255.56
- Corporate guarantee outstanding as at the end of the year	3,405.98	4,064.73
- Bank guarantee outstanding as at the end of the year	92.36	249.42
- Outstanding balance included in current / non current assets	922.33	925.41
- Outstanding balance included in current / non current liabilities	1,452.64	1,077.08
- Interest income	-	4.30
- Reimbursement of expenses from	1.90	4.04
- Sundry balances written off	14.36	0.47
- Sundry balances written back	-	-
- Purchase of financial assets	123.10	-
- Provision for doubtful debt	-	5.11
- Other operating income	43.19	67.41
- Provision for impairment of investment	240.20	155.59
- Provision for impairment of loans and advances	0.89	14.63
- Sale of asset	-	0.06
- Loan taken	1,063.10	250.00
- Purchase of goods	-	12.86
- Sale of service	585.05	131.79
- Sale of materials	-	0.13
- Decrease/(Increase) in Corporate Guarantee exposure	658.75	1,634.30
- Repayment of loan	1,309.17	-

Notes to Consolidated Financial Statement for the year ended March 31, 2023

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

₹ Million			
Particular	Name of the Company	2022-23	2021-22
- Misc. receipt	Patel Michigan JV	30.34	1.23
	Patel Sew JV	-	2.09
	NEC PEL JV	-	1.41
- Loans/advances given & current account movement	Raichur Solapur Transmission Company Pvt. Ltd.	-	0.00
	Patel Sew JV	7.38	56.22
	Patel Advance JV	-	160.91
- Loans / advances recovered / adjusted	Raichur Solapur Transmission Company Pvt. Ltd.	30.34	-
	Patel Sew JV	65.44	193.62
	Patel Michigan JV	45.00	36.67
- Interest income	Patel Sew JV	-	0.04
	Raichur Solapur Transmission Company Pvt. Ltd.	-	4.26
- Reimbursement of expenses	Hitodi Infrastructure Ltd	-	3.80
	Bellona Estate Developers Ltd.	0.89	-
	Patel Sew JV	-	0.13
	Patel KNR JV	-	0.11
	Raichur Solapur Transmission Company Pvt. Ltd.	1.02	-
- Sundry balances written off	Bellona Estate Developers Ltd.	-	0.47
	Raichur Solapur Transmission Company Pvt. Ltd.	14.36	-
- Purchase of financial assets	Patel KNR JV	120.45	-
- Provision for doubtful debts	Raichur Solapur Transmission Company Pvt. Ltd.	-	5.11
- Other operating income	Hitodi Infrastructure Pvt. Ltd	-	34.50
	Patel Ghodke Joint venture	-	20.28
	VPRPL-PEL JV	14.89	12.63
	Patel KNR JV	6.14	-
	NEC PEL JV	20.78	-

Notes to Consolidated Financial Statement for the year ended March 31, 2023

₹ Million

Particular	Name of the Company	2022-23	2021-22
- Provision for impairment of investment	Raichur Solapur Transmission Company Pvt. Ltd.	-	155.59
	Hitodi Infrastructure Pvt. Ltd	240.20	-
- Provision for impairment of loans and advances	Raichur Solapur Transmission Company Pvt. Ltd.	-	14.63
	Bellona Estate Developers Ltd.	0.89	-
- Sale of assets	Patel Sew JV	-	0.06
- Loan taken	Raahitya Constructions Private Limited	1,050.00	250.00
	Hitodi Infrastructure Pvt. Ltd	13.10	-
- Purchase of goods	Patel Sew JV	-	12.86
- Sale of service	Patel Sew JV	574.46	131.79
- Sale of materials	Patel Sew JV	-	0.13
- Decrease/(Increase) in Corporate Guarantee exposure	Raichur Solapur Transmission Company Pvt. Ltd.	697.53	-
	Patel Sew JV	(3.70)	5.07
	Bellona Estate Developers Ltd.	-	1,525.38
- Repayment of loan	Raahitya Constructions Private Limited	1,300.00	-
	Hitodi Infrastructure Pvt. Ltd	9.17	-

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

₹ Million

Particular	2022-23	2021-22
Managerial remuneration	78.06	61.75
Salary and contribution to provident fund	4.22	3.61
ESOP	-	0.44
Outstanding balance payable	7.13	16.80
Outstanding balance receivable	4.05	4.05

Notes to Consolidated Financial Statement for the year ended March 31, 2023

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.

Primary segment :

₹ Million

Particulars	As at March 31, 2023			
	Business segments			
	EPC	Real estate	Others	Total
Segment revenue	41,588.13	431.58	-	42,019.71
Segment results	2,315.27	63.35	3.19	2,381.82
Segment assets	73,950.34	10,165.28	3,384.17	87,499.80
Segment liabilities	54,537.05	3,138.45	66.53	57,742.03
Addition to fixed assets	2,211.96	25.47	25.98	2,263.41
Segment depreciation	931.84	0.38	0.82	933.04

₹ Million

Particulars	As at March 31, 2022			
	Business segments			
	EPC	Real estate	Others	Total
Segment revenue	33,462.89	334.87	5.28	33,803.04
Segment results	1,222.54	233.46	1.34	1,457.34
Segment assets	70,903.32	11,532.09	2,666.62	85,102.03
Segment liabilities	55,748.57	4,718.92	83.45	60,550.94
Addition to fixed assets	1,730.64	-	2.61	1,733.25
Segment depreciation	815.75	0.39	2.85	818.99

Geographical segment :

₹ Million

Particulars	As at March 31, 2023		
	Within India	Outside India	Total
	Revenue	38,134.67	3,885.04
Non current assets	32,263.78	799.26	33,063.04

₹ Million

Particulars	As at March 31, 2022		
	Within India	Outside India	Total
	Revenue	31,378.70	2,424.34
Non current assets	30,695.33	821.72	31,517.06

Notes to Consolidated Financial Statement for the year ended March 31, 2023

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, 2023	As at March 31, 2022
Revenue from top customer	5,135.37	5,125.47
Revenue from top five customers	17,649.57	15,584.99

- 40 Confirmation letters have been sent in respect of sundry debtors / loans and advances / sundry creditors of which certain confirmations have been received which are accordingly accounted and reconciled. The remaining balances have been shown as per books of accounts and are subject to reconciliation adjustments, if any. In the opinion of the Management, the realizable value of the current assets, loans and advances in the ordinary course of business will not be less than the value at which they are stated in the balance sheet. In respect of subsidiaries, debit and credit balances are subject to confirmation from creditors, debtors, sub contractors and loans/advances/deposits. The management does not expect any material difference affecting the consolidated financial statements for the year.
- 41 Arbitration awards received in favour of the Group amounting to Nil (P.Y. ₹ 1413.63 million) is accounted for as construction receipts.
- 42 The Group has ₹ 93.81 million (P.Y. ₹ 97.12 million) due to trade payable and other payable under the micro small and medium enterprise development act, 2006, as at March 31, 2023. The principal amount due to the suppliers under the Act is ₹ 73.16 million (P.Y. ₹ 82.04 million). The interest accrued and due to the suppliers on the above amount is ₹ 19.95 million (P.Y. ₹ 14.59 million). Payment made to the suppliers (other than interest) beyond appointed day during the year is ₹ 2.50 million (P.Y. ₹ 2.82 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 ₹ 0.70 million (P.Y. ₹ 0.51 million). Interest accrued and remaining unpaid at the end of the accounting year is ₹ 20.65 million (P.Y. ₹ 15.09 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 ₹ 18.68 million (P.Y. ₹ 13.25 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.
- 43 Ministry Of Coal (MOC) after keeping the request for change in location of the proposed power plant from Bhavnagar area to Pipavav area with in Gujarat State pending for 16 months declined it after the LOA expired. Consequent upon the expiry of Letter Of Assurance (LoA), South Eastern Coal Limited (SEC) invoked and encashed three Bank Guarantees aggregating to ₹ 196.64 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 September 22, 2017 and the same is posted for final hearing on August 11, 2016. Patel Energy Limited is confident that requisite clearance shall be obtained and hence the accounts of the Patel Energy Limited is continued to be complied on "going concern" basis.

Notes to Consolidated Financial Statement for the year ended March 31, 2023

44 Derivative transactions :

Foreign currency exposure that are not hedged by derivative instruments as on March 31, 2023 amounting to ₹ 2008.24 million (P.Y. ₹ 1462.54 million).

Foreign currency exposure outstanding at ₹ Million

Particulars	March 31, 2023		March 31, 2022	
	Amount in foreign currency	Amount in functional currency	Amount in foreign currency	Amount in functional currency
Assets				
Trade receivable				
EURO	0.39	34.99	0.38	31.54
NPR	116.42	72.76	219.30	137.06
USD	0.60	49.10	0.59	44.97
Security deposit				
EURO	0.03	3.06	0.03	2.87
JPY	36.22	22.37	36.22	22.47
NPR	411.85	257.41	78.11	48.82
USD	0.00	0.06	0.00	0.06
Inventories				
NPR	3,065.10	1,915.69	2,408.95	1,505.59
Interest accrued				
EURO	0.01	0.70	0.01	0.56
NPR	0.74	0.46	2.28	1.42
Cash and bank balance				
LKR	0.03	0.01	0.04	0.01
MUR	0.00	0.01	0.00	0.01
NPR	89.52	55.95	365.56	228.47
USD	-	-	-	-
Advance to contractor /suppliers				
NPR	1,168.88	730.55	1,871.01	1,169.38
Loan and interest thereon to group companies				
LKR	-	-	-	-
MUR	43.63	78.61	41.60	70.09
NPR	-	-	5.61	3.51
USD	21.17	1,739.65	20.57	1,554.64
Fixed assets				
NPR	783.61	489.75	920.19	575.12
Other advance				
MUR	2.85	5.14	2.85	4.80
NPR	305.45	190.90	225.10	140.69
Liability				
Security deposit				
NPR	(24.13)	(15.08)	(32.13)	(20.08)
Advance from contractor				
EURO	(4.40)	(352.29)	(5.33)	(426.83)
NPR	(1,908.92)	(1,193.07)	(3,086.75)	(1,929.22)

Notes to Consolidated Financial Statement for the year ended March 31, 2023

Foreign currency exposure outstanding at ₹ Million

Particulars	March 31, 2023		March 31, 2022	
	Amount in foreign currency	Amount in functional currency	Amount in foreign currency	Amount in functional currency
USD	(0.07)	(4.55)	(0.07)	(4.55)
Trade payable				
EURO	(1.92)	(166.90)	(1.86)	(154.36)
NPR	(2,424.20)	(1,515.12)	(2,088.71)	(1,305.44)
SGD	-	-	-	-
USD	(0.17)	(13.96)	(1.87)	(141.20)
Other liability				
NPR	(600.54)	(375.34)	(152.69)	(95.43)
USD	(0.03)	(2.63)	(0.03)	(2.42)

- 45 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 (P.Y. ₹ 29.38 million) and appropriate disclosure for contingent liabilities is given.
- 46 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 December 11, 2009 for development of a real estate development project called NEOTOWN in Mauritius in the year 2009-10 and incurred cost of ₹ 971.20 million (P.Y. ₹ 893.46 million). Subsequently all of a sudden on February 11, 2015 GOM had verbally informed about the termination of lease agreement between LSDL and MOHL without assigning any reason. Formal communication was received by LSDL on June 4, 2015 about the termination of lease from the GOM. Management was of the view that as per the agreement lease cannot be terminated on the grounds of clause mentioned in the termination letter. In this regard a notice had been sent to MOHL government of Mauritius on July 1, 2016 by LSDL contesting wrongful termination.. The Group did not receive any reply to this letter. The Group has invoked an arbitration under promotion and protection of investment treaty signed between India and Mauritius against GOM and the group is confident of getting compensation from GOM.
- 47 **Contingent liabilities**
- (a) Commitment for capital expenditure is ₹ 1218.38 million (P.Y. ₹ 875.25 million), advance paid ₹ 144.43 million (P.Y. ₹ 91.83 million). The Group is under commitment to construct specific area for land owner.
- (b) Counter indemnities given to banks and others in respect of secured guarantees, etc. on behalf of subsidiaries and others given by them in respect of contractual commitments in the ordinary course of business is ₹ 21464.50 million (P.Y. ₹ 18,032.60 million) (including customs ₹ 42.88 million (P.Y. ₹ 42.88 million)). Corporate guarantees / letter of credit on behalf of subsidiaries and others is ₹ 4220.85 million (P.Y. ₹ 4,751.85 million). Net off share of JV partner & provisions already considered in books.
- (c) Service tax liability that may arise on matters in appeal ₹ 1476.33 million (P.Y. ₹ 1,467.03 million) and advance paid ₹ 9.45 million (P.Y. ₹ 9.45 million). Out of the above, ₹ 760.19 million (P.Y. ₹ 760.19 million) is contractually recoverable from the clients.
- (d) Sales tax ₹ 73.67 million (P.Y. ₹ 73.67 million) (advance paid ₹ 0.20 million (P.Y. ₹ 0.20 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)).

Notes to Consolidated Financial Statement for the year ended March 31, 2023

- (e) Income tax liability that may arise on matters in appeal ₹ 3,435.28 million (P.Y. ₹ 3,530.76 million).
- (f) Provident fund liability that may arise on matter in appeal ₹ 15.79 million (P.Y. ₹ 14.35 million) and advance paid ₹ 14.63 million (P.Y. ₹ 14.35 million)
- (g) 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 cases are pending with various courts and are scheduled for hearings. After considering the circumstances, management believes that these cases will not adversely affect its consolidated financial statement.
- (h) 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.
- (i) The Group has provided a “cost overrun undertaking” for its associates Bellona Estate Developers Ltd. to its lenders.
- (j) 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.
- (k) In respect of Shreeanant Construction Pvt. Ltd., a SLP was filed in the supreme court by the state government of Arunachal Pradesh against the judgement 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 judgement 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 judgement is yet to be delivered. But in case of adverse judgement 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 Statement for the year ended March 31, 2023

48 Additional information as required under schedule III to the companies act, 2013, of enterprises consolidated as subsidiaries / associates / joint ventures:

₹ Million

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 Ltd.	98.95%	28,577.51	100.68%	1,558.53
Subsidiaries				
Indian				
1. Arsen Infra Pvt. Ltd.	0.01%	1.69	-0.01%	(0.15)
2. Hera Realcon Pvt. Ltd. - (97.13%)	0.00%	(1.20)	0.00%	(0.06)
3. PBSR Developers Pvt. Ltd.	-0.87%	(251.91)	-13.04%	(201.94)
4. Patel Engineering Infrastructure Ltd.	1.14%	330.52	1.02%	15.79
5. Friends Nirman Pvt. Ltd.	0.07%	21.30	-0.02%	(0.34)
6. Patel Patron Pvt. Ltd.	0.66%	191.84	0.95%	14.64
7. Shashvat Land Projects Pvt. Ltd.	-0.10%	(28.28)	-0.04%	(0.58)
8. Vismaya Constructions Pvt. Ltd.	0.38%	108.37	2.04%	31.53
9. Bhooma Realities Pvt. Ltd.	-0.25%	(72.95)	-0.15%	(2.27)
10. Energy Design Pvt. Ltd.	-0.24%	(69.75)	-0.01%	(0.13)
11. Shreeanant Construction Pvt. Ltd.	-0.19%	(54.82)	-0.46%	(7.12)
12. Michigan Engineers Pvt. Ltd.	6.93%	2,001.20	22.73%	351.85
13. Hampus Infrastructure Pvt. Ltd.	0.00%	(0.36)	0.00%	(0.04)
14. Patel KNR Infrastructure Ltd	1.67%	482.44	-1.38%	(21.39)
15. Dirang Energy Pvt. Ltd.	2.44%	704.27	-0.06%	(0.91)
16. West Kameng Energy Pvt. Ltd.	0.00%	0.10	0.00%	-
17. Digin Hydro Power Pvt. Ltd.	0.00%	0.10	0.00%	-
18. Meyong Hydro Power Pvt. Ltd.	0.00%	0.73	0.00%	-
19. Saskang Rong Energy Pvt. Ltd.	0.02%	4.78	0.00%	-
20. Patel Energy Ltd	0.58%	167.64	0.00%	-
Foreign				
1. Patel Engineering Inc.	0.31%	90.15	0.47%	7.22
2. Patel Engineering (Mauritius) Ltd.	-1.19%	(343.94)	-2.53%	(39.15)
3. Patel Engineering (Singapore) Pte. Ltd.	-2.86%	(826.90)	-4.04%	(62.47)
4. Waterfront Developers Ltd.	-2.22%	(642.26)	-4.63%	(71.62)
5. Patel Engineering Lanka Ltd.	-0.04%	(11.04)	-0.03%	(0.50)
Non-controlling interest	3.04%	878.20	10.52%	162.85
Associate (as per proportionate consolidation/ Investment as per the equity method)				
1. ACP Tollways Pvt. Ltd.	0.63%	180.70	1.98%	30.71
2. Hitodi Infrastructure Ltd.	0.00%	-	0.00%	-
3. Patel Advance JV	1.79%	517.52	0.02%	0.29

Notes to Consolidated Financial Statement for the year ended March 31, 2023

49 Category - wise classification of financials instruments

₹ Million

	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Financial assets measured at FVTPL				
Investment	660.73	169.89		
Financial assets measured at amortized cost				
Investments	581.53	646.18	-	-
Trade receivables	3,606.79	4,935.47	5,313.74	5,619.27
Loans	887.94	766.19	60.08	106.08
Deferred finance cost	70.31	56.83	-	-
Other assets	6,158.42	5,669.83	2,278.84	1,950.13
Cash and cash equivalents	-	-	2,112.25	2,605.78
Other bank balances	-	-	9.27	7.15

₹ Million

	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Financial liabilities measured at amortized cost				
Borrowings	5,354.71	7,607.14	12,166.57	15,008.99
Lease liabilities	81.84	191.83	97.30	110.45
Trade payables	6,182.15	5,771.25	15,518.91	13,238.04
Other financial liabilities	2,235.73	1,912.39	259.33	220.08

50 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, 2023

₹ Million

Financial asset measured at FVTPL	Fair value as at March 31, 2023	Fair value hierarchy		
		Quoted prices in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
Investments	660.73	660.73	-	-

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 Statement for the year ended March 31, 2023

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.

51 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 endeavour to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of the Company's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate financial risks in order to minimize potential adverse effects on the Group's financial performance.

The following disclosures summarize the Group's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks. Quantitative sensitivity analysis have been provided to reflect the impact of reasonably possible changes in market rates on the consolidated financial results, cash flows and financial position of the Group.

1) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's total debt obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With other variables held constant, the Group's profit before tax is affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows :

₹ Million

Change in interest rate	Effect on profit before tax		Effect on total equity	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
+50 basis point	(136.19)	(136.38)	(88.60)	(88.72)
-50 basis point	136.19	136.38	88.60	88.72

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.

Notes to Consolidated Financial Statement for the year ended March 31, 2023

The carrying amounts of the Group's foreign currency denominated monetary items are as follows:

₹ Million

Currency	Liabilities		Assets	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
EURO	519.19	581.19	38.75	34.97
JPY	-	-	22.37	22.47
LKR	-	-	0.01	0.01
MUR	-	-	83.76	74.90
NPR	3,098.62	3,603.09	3,713.48	4,062.98
USD	21.14	148.17	1,788.81	1,599.66

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. 44

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	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
+5%	24.02	(27.31)	15.63	(17.77)
-5%	(24.02)	27.31	(15.63)	17.77

₹ Million

Change in USD rate	Effect on profit before tax		Effect on total equity	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
+5%	88.72	72.57	57.71	47.21
-5%	(88.72)	(72.57)	(57.71)	(47.21)

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.

Notes to Consolidated Financial Statement for the year ended March 31, 2023

Price sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in price of investment measured at FVTPL with other variables held constant. The Company's profit before tax is affected through the impact on change in price of investment as follows:

₹ Million

Change in price of investment measured at FVTPL	Effect on profit before tax		Effect on total equity	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
+5%	33.04	8.49	21.49	5.53
-5%	(33.04)	(8.49)	(21.49)	(5.53)

2) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure of the financial assets are contributed by trade receivables, unbilled work-in-progress, cash and cash equivalents and receivable from joint ventures.

Credit risk on trade receivables and unbilled work-in-progress is limited as the customers of the Group mainly consists of the government promoted entities having a strong credit worthiness. Whenever required, the Group uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled work-in-progress. The provision matrix takes into account available external and internal credit risk factors such as credit ratings from credit rating agencies, third party report, financial condition, ageing of accounts receivable and the Group's historical experience for customers.

3) Liquidity risk

Liquidity is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. The Group's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

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

₹ Million

Particulars	Less than 1 year	1 - 5 years	More than 5 years	Total
At 31st March, 2023				
Borrowings*	12,166.57	5,166.66	188.05	17,521.28
Lease liability	97.30	81.84	-	179.15
Trade payables	15,518.91	6,182.15	-	21,701.06
Other financial liability	259.33	2,159.20	76.53	2,495.05
At 31st March, 2022				
Borrowings*	15,008.99	6,030.44	1,576.71	22,616.13
Lease liability	110.45	191.83	-	302.28
Trade payables	13,238.04	5,771.25	-	19,009.29
Other financial liability	220.08	1,281.68	630.72	2,132.47

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

Notes to Consolidated Financial Statement for the year ended March 31, 2023

52 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, 2023, 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, 2023	As at March 31, 2022
Total debt	17,521.28	22,616.13
Total equity	28,879.57	23,836.99
Total debt to total equity ratio (gearing ratio)	0.61	0.95

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.

- 53** In Patel Advance JV partnership firm, company is having fixed capital of ₹ 0.05 million. In the firm, partnership sharing has been as follows: the Company 49% (P.Y. 49%), Advance Construction Co. Pvt. Ltd. 3% (P.Y. 3%) & Broadcast Lawgical Networks (OPC) Pvt. Ltd. 48% (P.Y. 48%).
- 54** During the year group has made a political contribution of ₹ 130.00 million (P.Y. Nil) to political parties.
- 55** The code on social security, 2020 ("the Code") has been approved by the indian parliament. The effective date of the code and related rules are yet to be notified. The impact of the changes, if any, will be assessed and recognised post notification of the relevant provisions.

56 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, 2023.

57 Disclosure pursuant to IND AS 103 "Business combination"

The Following, a wholly owned subsidiaries, are merged with the Company under a scheme of amalgamation approved by National Company Law Tribunal, Hyderabad on July 22, 2022 and National Company Law Tribunal, Mumbai on June 16, 2022. The merger is effective from the appointed date April 01, 2021.

- | | |
|--|-------------------------------------|
| 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. |

Notes to Consolidated Financial Statement for the year ended March 31, 2023

No fresh shares are issued to effect the merger of above wholly owned subsidiaries of the Company. Further the merger is accounted using pooling of interest method, involving the following:

- a. The assets and liabilities of of above wholly owned subsidiaries are reflected at their carrying amounts. No adjustments are made to reflect the fair values, or recognise any new asset or liability.
- b. The balance of retained earnings appearing in the financial statements of above wholly owned subsidiaries are aggregated with the corresponding balance appearing in the financial statements of the Company.
- c. The excess of amount of investment by the Company in above wholly owned subsidiaries over the share capital of the respective merged subsidiaries are treated as capital reserve in Company's financial statements and the same is presented separately from other capital reserves under statement of changes in equity.
- d. Restating the financials of the Company from April 01, 2021.

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, 2023						
(i) MSME	55.02	2.98	11.17	4.00	20.66	93.83
(ii) Others	8,662.34	659.60	739.72	1,403.85	10,093.17	21,558.69
(iii) Disputed dues — MSME	-	-	-	-	-	-
(iv) Disputed dues - others	0.05	-	1.32	11.33	35.84	48.55
Total	8,717.41	662.58	752.21	1,419.19	10,149.68	21,701.06
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	9,591.72	18,848.01
(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	9,647.41	19,009.29

59 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

Notes to Consolidated Financial Statement for the year ended March 31, 2023

- 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.

60 Key Financials Ratio

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% Variance	Reason for variance
Current ratio	Total current assets	Total current liabilities	1.44	1.41	2%	
Debt-equity ratio	Total debt	Total equity	0.61	0.95	-36%	Due to robust Company performance, speedy realisation of receivable, monetisation of non-core assests, liquidity has improved. Further right issue has additionally boost the working capital and help us to prepaid the debt obligation
Debt service coverage ratio	Earning before depreciation interest and taxes	Interest + current maturity of LTD payable in current year	1.07	1.35	-21%	
Return on equity ratio	Profit after tax	Total equity for parent	6.35%	3.02%	110%	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	7.69	6.79	13%	

Notes to Consolidated Financial Statement for the year ended March 31, 2023

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% Variance	Reason for variance
Trade payable turnover ratio	Cost of materials consumed	Average of opening and closing of current trade payable	1.65	1.65	0%	
Net capital turnover ratio	Revenue from operation	Working capital (current assets - current liabilities)	2.54	2.17	17%	
Net profit ratio	Profit after tax including associates	Revenue from operation	4.37%	2.13%	105%	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)	13.79%	11.92%	16%	
Return on investment	Profit available to equity shareholder	Equity attributable to owners of the parent	5.36%	2.31%	132%	Due to robust Group performance and operation efficiencies, net profit for equity shareholder has increased.

*Considering the nature of industry in which the Group is operating, Inventory turnover ratio is not material.

- 61 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 attached Report of even date

For Vatsaraj & Co.
Firm Regn No: 111327W
Chartered Accountants

Dr CA B. K. Vatsaraj
Partner
Membership No. 039894

Place : Mumbai
Date : May 15, 2023

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 Auditors' Report

To The Members of Patel Engineering Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **Patel Engineering Limited** ("the Company") and its joint operations, which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss (including the of Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and Notes to 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 in Mumbai (hereinafter referred to as "Standalone Financial Statements")

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 31st March, 2023, and 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 Statement 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 audit opinion on the Standalone Financial Statements.

Emphasis of Matter

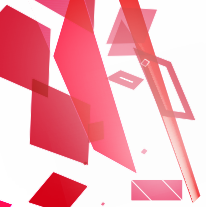
The independent Branch Auditors of Patel Engineering Limited (Real Estate Division) ("the Division"), have without qualifying their audit report dated 15th May, 2023 on the Standalone Ind AS financial statement of the Division for the year ended March 31, 2023 have drawn attention to the Note regarding Company's investment and given loans and advances to Waterfront Developers Limited, a wholly owned subsidiary, where notice dated 4th June 2015 was received from Government of Mauritius for the termination of lease agreement entered on 11th December, 2009 with Les Salines Development Limited (a Step-down subsidiary of Waterfront). In this case the process of arbitration with the Government of Mauritius has been completed during the year and management of the branch is expecting the favorable order for the same.

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 Standalone Financial Statements for the financial year ended 31st March, 2023. 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	Auditors 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 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"> o Read, analyzed and identified the distinct performance obligations in these contracts. o Compared these performance obligations with that identified and recorded by the Company. o 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 o 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. o 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 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	Auditors 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 overruns 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 Refer note 1 k and 26 & 43 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 31st March, 2023. • 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 operations and associates and loans given to such entities account for a significant percentage of the Company's net assets. Each year management reviews such investments and loans to assess presence of any indications of impairment and determines the recoverable amounts of the investments/loans. Determining the recoverable value of these long-term investments/loans is mainly based on the evaluation of Networth of such entities, quality of assets held by such entities and the judgement by Management for realisation of investments and recovery of loans along with interest.</p> <p>Refer notes 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

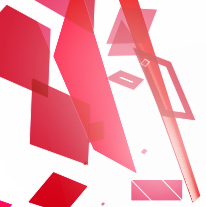
The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Standalone Financial Statements and our auditor's report thereon. The other information is expected to be made available to 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 Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Responsibility of Management for the Standalone Financial Statements

The Company's Management and 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal Financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial statement 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, the 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. The 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS 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 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 the management's use of the going concern basis of accounting in preparation of Standalone Financial statements 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 Ind AS 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.

Materiality is the magnitude of misstatements in the Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial statements.

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, 2023 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 division whose financial statements reflect total assets of ₹ 4,507.85 Million as at March 31, 2023, total revenue of ₹ 191.62 Million, total profit/(loss) after tax of ₹ (530.45) Million and total comprehensive income of ₹ (530.45) Million for the year ended March 31, 2023
 - ii. 20 unincorporated joint operations, whose financial results reflect total assets of ₹ 2,797.73 Million as at March 31, 2023, Company's Share in total revenue of ₹ 7,425.38 Million, total profit/(loss) after tax of ₹ 114.29 Million and total comprehensive income of ₹ 114.29 Million for the year ended March 31, 2023.

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) and (11) 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. 11 unincorporated joint operations whose financial results reflect total assets of ₹ 617.39 Million as at March 31, 2023, Company's Share in total revenue is ₹ 1,668.87 Million, total Profit/(loss) after tax of ₹ (2.06) Millions and total comprehensive income of ₹ (2.06) Millions for the year ended March 31, 2023.

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) and (11) 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.

3. The comparative financial information of the Company for the year ended 31st March, 2022, prepared in accordance with Ind AS, included in this Statement have been taken from the merged financial statements certified by us dated 29th October 2022, correctly giving effect as per NCLT Mumbai divisional bench order dated 16th June 2022 and NCLT Hyderabad divisional bench dated 22nd July 2022. The comparative financial information in these Financial Statements will not match with the previous year published financial statements which were audited by the other auditor who have by their audit report dated 23rd May, 2022 have expressed an unmodified opinion on the previous year financial statements.

Our opinion on the Standalone Financial Statements is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of sub-section (11) of Section 143 of the Act, 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 further 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 of the aforesaid Standalone Financial Statements;
 - 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 Other Comprehensive Income, the Statement of Changes in Equity and the statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account;

- d) In our opinion, the aforesaid Standalone Financial Statements comply with the IND AS specified under Section 133 of the Act;
- e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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 with reference to these Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirement section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remunerations paid by the Company to its directors during the year is in accordance with the provisions of section 197 of 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, as amended, 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 as at 31st March, 2023 on its financial position in its Standalone Financial statements to the extent determinable/ascertainable. – Refer Note 47 to the Standalone Financial Statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kinds of funds) by the Company to or in any other persons or entities, including foreign entities ("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 or ("Ultimate Beneficiaries") or provide any guarantee, security or the like to or on behalf of the ultimate Beneficiaries.

- (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("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 as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause iv(a) and iv (b) contain any material mis-statement.

v. During the year no dividend is declared or paid by the company.

- i) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March 31, 2023.

For Vatsaraj & Co.
Chartered Accountants
FRN: 111327W

Dr CA B.K. Vatsaraj
Partner
M. No.:039894
UDIN: 23039894BGZCSN3040

Mumbai, 15th May, 2023

Annexure A to the Independent Auditors' Report on Standalone Financial Statements of Patel Engineering Limited as on 31st March 2023, referred to in paragraph 1 under "Report on Other Legal and Regulatory requirement" section of our report of even date, we report the following:

- i (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment & right to use assets.
- (B) The Company has maintained 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 were noticed on such verification.
- (c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in Note 2 to the financial statements are held in the name of the Company, except for the following:

Description	Gross carrying value	Held In the Name of	Whether promoter, director or their relative or employees	Property Held from	Reason for not being held in the name of Company
Land	6,044.22	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 company (Merged entities) of Patel Engineering Limited	FY 2021-22	This land is transferred through merger order given by Competent authority and the same is in process of transferring in the name of the company.
Land & building	183.34	PEL Power Ltd.			
Building	7.64	PEL Power Ltd.			
Land	8.02	Mr. Muthuraj	Employee	FY 2009-10	Ownership of asset by Directors / officials of the Company was permitted as per Companies act. 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 to Use assets) or intangible assets during the year.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- ii. (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and nature of its operations. 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. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records.

- (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets; according to the information and explanations given to us, the quarterly returns or statements filled by the Company with such banks are in agreement with the books of account.
- iii According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investment or provided any security or granted advances in the nature of loans to companies, firms, limited liability partnership or other parties during the year. The Company has provided guarantees to and unsecured loan to companies and Joint operations/ Joint ventures during the year.
- (a) Based on the audit procedures carried out by us and as per the information and explanation given to us, the Company has provided guarantees to a subsidiary company, a joint venture and an associate company and granted unsecured loans to 21 companies and 8 entities. The aggregate amount of guarantee provided ₹ 188.34 million and unsecured loan granted ₹ 44.80 million during the year and balance outstanding at the balance sheet date with respect to such guarantees and unsecured loans to subsidiaries companies, associate company/ joint operations/joint ventures is ₹ 4,287.68 million and ₹ 4,612.29 million respectively.
- (b) In respect of the aforesaid guarantees and unsecured loans, the terms and conditions under which such guaranteed provided and loans were granted are prima facie, not prejudicial to the interest of the company, based on the information and explanations provided by the company.
- (c) In respect of 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, clause 3(iii)(d) of the Order is not applicable to the Company.
- (e) During the year there is no loan which are due as per agreed stipulation, hence clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) The loans granted during the year, including to related parties has stipulated the schedule repayment of principal and payment of interest and the same were not repayable on demand.
- 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 In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- vi The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii (a) In our opinion, and according to the information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, 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 to 2007-2008 and 2011-2012	31.94	Appellate Tribunal, Kolkata
	2012-13	3.55	Senior Joint commissioner for Sales Tax Kolkata
	2008-2009 to 2010-11	23.08	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
	September 2015	71.52	
	October 2009 to September 2010	108.31	Hon'ble Supreme Court
	June 2007 to September 2009	651.88	
CGST & SGST Act, 2017	September 2018 to March 2019	46.77	Hon'ble High Court Patna
	Oct-2014 to Jun-2017	9.30	Commissioner of CGST
The Income Tax Act, 1961	2001-02 to 2007-08	905.01	Hon'ble High Court
	2008-09, 2011-12, 2013-14, 2014-15 to 2017-18	1,893.37	Commissioner of Income Tax (Appeals)
	2017-18, 2018-19	27.99	Commissioner of Income Tax (Appeals) TDS
	2019-20	85.92	Magistrate Court Ballard Pier
Provident fund	2007-08 to 2011-12	14.35	Hon'ble High Court, Shimla Himachal Pradesh
	January 2013 to August 2015	1.44	The Employee Provident Fund Appellate Tribunal
Custom Duty	2011-2012	17.62	Custom, Excise and Service Tax Appellate Tribunal, Chennai
With respect to Independent Branch Patel Engineering Ltd (Real Estate Division)			
Sales Tax	2016-17	13.50	Deputy Commissioner of State Tax Appeal
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, 1969	2015-16 to 2016-17	71.13	Commissioner of Income Tax (Appeals)
	2015-2016 to 2016-17	35.16	The Director, Objections Appeals and Dispute Resolutions Dept. Mauritius

- viii According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- ix (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lenders 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 a willful 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, money raised by way of term loans were applied for the purposes for which these 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 financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.

- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, 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, the Company has not raised any 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 or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 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 a category I registered FPI and right issue to the existing shareholders of the company. In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of section 42 and section 62 of the Act and the Rules framed thereunder with respect to the same.

In our opinion and according to the information and explanations given to us, the company has utilized funds raised by way of preferential allotment for the purpose for which were raised. The utilization of funds raised by way of right issue of shares is stated as under:

(₹ In million)

Sr. No.	Nature of Securities viz. Equity shares/ Preference shares/ Convertible debentures	Purpose for which funds were raised	Total Amount Raised	Amount utilized	Unutilized* balance as at 31st March, 2023	Remark, if any
1(a)	Equity Shares	Repayment of Promoters Loan	1,300	1,300	-	
1(b)	Equity Shares	Prepayment/ Repayment of certain outstanding Borrowings (including interest thereon)	1,023.55	597.95	425.60	The unutilised proceeds are kept by the company in separate Bank account and temporarily invested in fixed deposit
2	Equity Shares	General Corporate Purpose	809.50	705.60	103.90	
	Total		3,133.05	2,603.55	529.50	

*Includes accrued interest on Fixed Deposit.

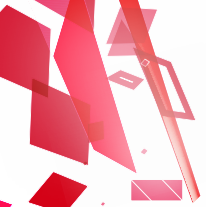
- xi (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- xii The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

- xiv (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as per the provisions of section 138 of the Act which is commensurate with the size and nature of its business
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- xv According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are 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, reporting under clause 3(xvi)(a)(b) and (c) of the Order are not applicable to the Company.
- (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- xvii The Company has not incurred any cash losses during the financial year as well as the immediately preceding financial year.
- xviii There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 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, 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 plans of the Board of Directors and management 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 indicating that 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 According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the standalone financial year. Accordingly, reporting under clause 3(xx) (a) & (b) of the Order 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 of the Company. Accordingly, no comment has been included in respect of said clause under this report

For Vatsaraj & Co.
Chartered Accountants
FRN: 111327W

Dr CA B.K. Vatsaraj
Partner
M. No.:039894
UDIN: 23039894BGZCSN3040

Mumbai, 15th May, 2023



ANNEXURE B to Independent Auditors' Report on the Standalone Financial Statement of Patel Engineering Limited, Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act, referred to in paragraph 2(f) under "Report on Other Legal and Regulatory requirement" section of our report of even date.

We have audited the Internal Financial controls Over Financial reporting of **Patel Engineering Limited** ("the Company") as of 31st March, 2023 in conjunction with our audit of the Standalone Financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over Financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 over financial reporting 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting

included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting with respect to these Financial Statement.

Meaning of Internal Financial Controls Over Financial Reporting

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

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 the reports of the other auditor on internal financial controls system over financial reporting of the Real Estate Division Branch and joint operations referred to in the Other Matters paragraph below, the Company has, in all material respects, adequate internal financial controls system over Financial reporting with reference to these Standalone Financial Statements and such internal Financial controls over Financial reporting were operating effectively as at 31st March, 2023, based on the internal control over Financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to Real Estate Division Branch and joint operations, is based on the corresponding report of the other auditor of such branch and joint operations.

Our opinion is not modified in respect of this matter.

For Vatsaraj & Co.
Chartered Accountants
FRN: 111327W

Dr CA B.K. Vatsaraj
Partner
M. No.:039894
UDIN: 23039894BGZCSN3040

Mumbai, 15th May, 2023

Balance Sheet as at March 31, 2023

	Notes	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
I. ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	2	11,684.38	10,495.80
(b) Capital work-in-progress		135.20	54.23
(c) Intangible assets		12.16	8.80
(d) Right to use		142.09	195.05
(e) Financial assets			
(i) Investments	3	2,256.91	2,578.15
(ii) Trade receivables	4	2,726.42	4,680.29
(iii) Loans	5	6,035.39	5,871.37
(iv) Other financial assets	6	6,458.93	5,767.27
(f) Deferred tax assets (net)	7	1,978.81	1,884.21
(g) Current tax assets (net)	8	809.06	529.78
(h) Other non current assets	9	1,256.73	1,407.84
Total non current assets		33,496.08	33,472.79
2 Current assets			
(a) Inventories	10	32,592.20	29,218.66
(b) Financial assets			
(i) Trade receivables	4	4,331.93	3,826.20
(ii) Cash and cash equivalents	11	1,705.55	1,915.49
(iii) Other bank balances	12	-	-
(iv) Loans	5	967.08	917.09
(v) Other financial assets	6	1,355.48	1,347.15
(c) Other current assets	9	6,865.95	6,666.53
(d) Assets classified as held for sale	13	-	-
Total Current Assets		47,818.19	43,891.12
Total Assets		81,314.27	77,363.91
II. EQUITY AND LIABILITIES			
1 Shareholders' fund			
(a) Equity share capital	14	773.62	479.23
(b) Other equity		27,803.89	23,046.12
Total equity		28,577.51	23,525.35
2 Liabilities			
Non current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	3,984.41	5,904.31
(ii) Lease liability	16	78.19	184.32
(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		6,182.15	5,771.30
(iv) Other financial liability	18	2,012.22	1,667.28
(b) Provisions	19	162.15	136.81
(c) Other non current liabilities	20	5,747.02	6,860.85
(d) Deferred revenue	21	78.92	64.73
Total non current liabilities		18,245.06	20,589.60
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	11,437.35	14,002.76
(ii) Lease liability	16	92.67	105.92
(iii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	23	38.98	35.88
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		14,735.46	12,524.75
(iv) Other financial liabilities	24	147.45	114.25
(b) Provisions	19	50.45	58.50
(c) Other current liabilities	25	7,989.34	6,406.90
Total current liabilities		34,491.70	33,248.96
TOTAL EQUITY AND LIABILITIES		81,314.27	77,363.91
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 Vatsaraj & Co.

Firm Regn No: 111327W
Chartered Accountants

Dr CA B. K. Vatsaraj

Partner
Membership No. 039894

Place : Mumbai
Date : May 15, 2023

For and on behalf of Board

Rupen Patel
Chairman &
Managing Director
DIN : 00029583

Kavita Shirvaikar
Chief Financial Officer &
Director
DIN : 07737376

Shobha Shetty
Company Secretary
Mem. No.: F10047

Sunil Sapre
Director
DIN : 05356483

Statement of Profit and Loss for the year ended March 31, 2023

	Notes	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
I. Revenue from operations	26	38,171.26	30,298.46
II. Other income	27	1,442.71	1,349.29
III. Total income (I + II)		39,613.97	31,647.75
IV. Expenses:			
Cost of construction	28	27,928.65	21,846.03
Employee benefits expense	29	3,248.28	2,502.25
Finance costs	30	3,997.30	3,933.67
Depreciation and amortization expense	2	806.41	683.43
Other expenses	31	1,589.55	1,374.83
Total expenses		37,570.19	30,340.21
V. Profit before exceptional items and tax (III-IV)		2,043.78	1,307.54
VI. Exceptional items	32	60.78	424.14
VII. Profit before tax (V - VI)		1,983.00	883.40
VIII. Tax expense:			
(1) Current tax		698.24	270.82
(2) Earlier years		(187.75)	-
(3) Deferred tax		(83.13)	57.16
IX. Profit for the year (VII-VIII)		1,555.64	555.42
X. Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		2.15	12.83
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.74	(4.34)
XI. Total other comprehensive income		2.89	8.49
XII. Total comprehensive income for the year (IX+XI)		1,558.53	563.91
(Comprising profit and other comprehensive income for the year)			
XIII. Earnings per equity share :			
(1) Basic	36	2.97	1.17
(2) Diluted		2.10	1.17
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 Vatsaraj & Co.
Firm Regn No: 111327W
Chartered Accountants

Dr CA B. K. Vatsaraj
Partner
Membership No. 039894

Place : Mumbai
Date : May 15, 2023

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

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit after tax	1,555.64	555.42
Adjustment for:		
Depreciation/ amortisation	806.41	683.43
Tax expenses	427.36	327.98
Finance charges	3,997.30	3,933.67
Interest income and dividend received	(829.66)	(880.44)
Foreign exchange gain	(173.96)	(72.28)
Provision for leave salary	23.04	28.11
Provision for gratuity	(5.75)	(6.02)
Share in profit from joint operations	86.13	(108.90)
Provision for impairment	240.20	424.14
Profit on sale of assets	(12.99)	(5.17)
Excess credit written back	(397.61)	(158.89)
Irrecoverable debts and advances written off (net)	85.87	115.51
ESOP compensation expenses	-	0.44
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	5,801.68	4,837.00
Adjustment for changes in:		
Trade and other receivables	430.77	(3,268.00)
Inventories	(3,373.54)	(484.02)
Trade and other payables (excluding income tax)	3,388.46	2,731.46
Cash from operations	6,247.37	3,816.44
Direct tax paid	(789.77)	(708.19)
NET CASH FROM OPERATING ACTIVITIES (A)	5,457.60	3,108.25
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including capital work in progress and capital advances)	(1,697.94)	(756.02)
Sale of fixed assets	100.64	148.88
Decrease / (Increase) in loans to subsidiaries/ JV/ associates	(12.68)	216.66
Sale of investments	91.98	117.00
Purchase of investments	(29.77)	(0.68)
Increase in other bank balances	103.27	62.03
Interest and dividend received	54.30	95.38
NET CASH USED IN INVESTING ACTIVITIES (B)	(1,390.20)	(116.74)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of shares	3,157.50	(0.00)
Proceeds from borrowings	32.74	2,557.08
Repayment of borrowings	(4,555.53)	(1,997.19)
Finance charges paid	(3,086.01)	(2,848.45)
NET CASH USED IN FINANCING ACTIVITIES (C)	(4,451.30)	(2,288.57)
Net increase in cash and cash equivalent (A+B+C)	(383.90)	702.92
Opening balance of cash and cash equivalents	1,915.49	1,140.28
Balance of cash and cash equivalents	1,531.59	1,843.20

Notes to cash flow statement :

a) Cash and cash equivalents

Cash on hand and balance with banks	1,705.55	1,915.49
Effect of exchange rate changes	(173.96)	(72.28)
Closing cash and cash equivalents as restated	1,531.59	1,843.20

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

c) Reconciliation of liabilities arising from financing activities

	March 31, 2023	Opening balance	Cash flow	Non - cash changes	Closing balance
Borrowings (including short term borrowing, long term borrowing & lease liability)		20,197.30	(4,522.79)	(81.89)	15,592.62
Total		20,197.30	(4,522.79)	(81.89)	15,592.62

	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

As per our report of even date

For Vatsaraj & Co.
Firm Regn No: 111327W
Chartered Accountants

Dr CA B. K. Vatsaraj
Partner
Membership No. 039894

Place : Mumbai
Date : May 15, 2023

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

(A) EQUITY SHARE CAPITAL

Particulars	Number of shares	₹ Million
Equity shares of ₹ 1 each issued, subscribed and paid		
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
Issue of equity shares	294,386,734	294.39
As at March 31, 2023	773,617,228	773.62

(B) OTHER EQUITY

Particulars	Reserves and surplus							Total equity attributable to equity holders	
	Equity component of compound financial instruments	Capital reserve	Capital reserve on amalgamation	General reserve	Securities premium	Stock option outstanding account	Capital redemption reserve		Surplus in the statement of profit and loss
As at March 31, 2021	-	266.51	-	2,811.97	14,939.55	1.56	300.00	6,138.43	24,458.02
Business combination (Note no 56)	-	-	(0.23)	-	-	-	-	(2,054.97)	(2,055.20)
Restated balance as at April 1, 2021	-	266.51	(0.23)	2,811.97	14,939.55	1.56	300.00	4,083.46	22,402.82
Profit for the year	-	-	-	-	-	-	-	555.42	555.42
Amalgamation adjustment	-	-	-	-	-	-	-	-	-
- Other comprehensive income for the year	-	-	-	-	-	-	-	8.49	8.49
- On account of consolidation of joint venture	-	-	-	-	-	-	-	(108.90)	(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	(0.23)	2,811.97	15,129.40	0.00	300.00	4,538.47	23,046.12

Particulars	Reserves and surplus							Total equity attributable to equity holders	
	Equity component of compound financial instruments	Capital reserve	Capital reserve on amalgamation	General reserve	Securities premium	Stock option outstanding account	Capital redemption reserve		Surplus in the statement of profit and loss
Profit for the year	-	-	-	-	-	-	-	1,555.64	1,555.64
Amalgamation adjustment	-	-	-	-	-	-	-	-	-
- Other comprehensive income for the year	-	-	-	-	-	-	-	2.89	2.89
- On account of consolidation of joint venture	-	-	-	-	-	-	-	86.13	86.13
- Issued during the year	-	-	-	-	3,113.11	-	-	-	3,113.11
- Issue of equity shares	-	-	-	-	-	-	-	-	-
- Share issue expenses	-	-	-	-	-	-	-	-	-
- Employee stock option	-	-	-	-	-	-	-	-	-
- Transfer from / to debenture redemption reserve	-	-	-	-	-	-	-	-	-
As at March 31, 2023	-	266.51	(0.23)	2,811.97	18,242.51	-	300.00	6,183.13	27,803.89

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

Capital reserve on amalgamation : As per IND AS 103 read with appendix C, difference between the purchase consideration and net book value shall be accounted as capital reserve.

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, 2023

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 15, 2023.

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:

- Estimation of defined benefit obligation
- Estimation of useful life of property, plant and equipment and intangibles
- Estimation of total contract revenue and costs for revenue recognition
- Estimation of recognition of deferred taxes
- Estimation of impairment of financial assets (i.e. expected credit loss on trade receivables)
- Estimation of provision and contingent liabilities
- Estimation on discounting of lease liability on application of Ind AS 116.

e) Property, plant and equipment

Property, plant and equipment (PPE) are stated at net of recoverable taxes, trade discount and rebates less accumulated depreciation and accumulated impairment losses, if any.

Such 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.

Notes to Financial Statement for the year ended March 31, 2023

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost can be measured reliably.

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. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss.

f) Intangible assets

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated depreciation / amortisation and impairment loss, if any.

Such cost comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost can be measured reliably.

g) Depreciation

Depreciation on the property, plant and equipment (other than freehold land) is provided based on useful life of the assets as prescribed in Schedule II to the Act. Depreciation on property, plant and equipment, which are added/disposed-off during the year, is provided on pro-rata basis with reference to the month of addition/deletion, in the profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and, if expectations differ from previous estimates, the change(s) are accounted for as a change in an accounting estimate in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

The estimated useful lives are as follows:

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

Intangible assets

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

Computer software 3 years

h) 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.

i) 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.

j) Inventories

The stock of land, construction materials, stores, spare parts, 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. Cost includes expenditures incurred in acquiring the inventories, conversion costs and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated cost necessary to make the sale.

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, 2023

k) Recognition of income and expenditure

Revenue toward satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The Company satisfies a performance obligation and recognises revenue over time, if one of the following criterias is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

i) Construction revenue

The Company constructs various infrastructure projects on behalf of clients. Under the terms of the contracts, where the company is contractually restricted from redirecting the properties to another customer and has an enforceable right to payment for work done; revenue is recognised over a period of time. The percentage-of-completion of a contract is determined by the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs. 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.

Advances received from customers in respect of contracts are treated as liabilities and adjusted against progress billing as per terms of the contract. Progress payments received are adjusted against amount receivable from customers in respect of the contract work performed.

Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration. When the outcome of a construction contract can not be estimated reliably, contract revenue is recognised only to the extent of contract cost incurred that are likely to be recoverable.

Consideration is adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Company.

Revenue from trading and consultancy service are recognises when it transfers control of a product or service to a customer.

ii) Revenue from Real estate development contracts

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.

Notes to Financial Statement for the year ended March 31, 2023

l) 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.

m) Foreign currency transaction/translations

Transactions in foreign currency including acquisition of property, plant and equipment 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. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary items denominated in foreign currency at prevailing reporting date exchange rates are recognised in profit or loss.

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.

n) 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 assets 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. However, trade receivables that do not contain a significant financing component are measured at transaction price. 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.

Notes to Financial Statement for the year ended March 31, 2023

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

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

Equity instruments

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

De-recognition of financial assets:

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

Impairment of financial assets:

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

- (a) Financial assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance
- (b) Lease receivables
- (c) Trade receivables or any contractual right to receive cash or another financial asset
- (d) Loan commitments which are not measured at FVTPL
- (e) Financial guarantee contracts which are not measured at FVTPL

(II) Financial liability

Initial recognition and measurement :

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

Subsequent measurement :

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

Financial liabilities at amortized cost:

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

The company is classifying the following under amortized cost

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

Derecognition:

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

o) 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.

p) 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

Notes to Financial Statement for the year ended March 31, 2023

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.

q) Employee benefits

Short term employee benefits :

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

Defined contribution plans

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

Defined benefit plans :

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

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

r) Taxation

The tax expenses for the period comprises of current tax and deferred income tax. Tax is recognised in statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income. In which case, the tax is also recognised in other comprehensive income.

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 at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised; 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

Notes to Financial Statement for the year ended March 31, 2023

tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

s) 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.

t) 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.

u) 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.

v) 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 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.

w) 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

Notes to Financial Statement for the year ended March 31, 2023

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.

x) 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.

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.

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 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of financial statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting policies, changes in accounting estimates and errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Note : 2
PROPERTY, PLANT AND EQUIPMENT AS AT MARCH 31, 2023

₹ Million

Particulars	Gross block			Depreciation and amortization			Net book value	
	As at April 1, 2022	Addition	Deduction/retirement	As at March 31, 2023	As at April 1, 2022	For the year /deduction	As at March 31, 2023	As at March 31, 2022
TANGIBLE ASSETS								
Land ¹	6,344.47	-	-	6,344.47	-	-	6,344.47	6,344.47
Building ²	429.50	281.54	-	711.04	138.90	8.75	563.39	290.60
Plant and equipment ³	7,426.24	1,505.06	313.13	8,618.17	4,086.22	600.27	4,455.89	3,340.02
Furniture and fixtures	94.53	1.75	31.21	65.07	85.97	2.21	56.98	8.56
Vehicles ⁴	1,574.63	157.19	125.81	1,606.01	1,170.64	92.71	1,141.94	403.99
Office equipments	63.55	0.94	36.59	27.90	56.26	2.25	21.92	7.29
Others ⁵	34.67	-	-	34.67	28.70	0.55	29.25	5.97
Electric equipment	151.67	57.92	29.39	180.20	87.56	19.16	77.99	64.11
Computer equipments	143.29	16.78	53.89	106.18	112.50	19.07	77.71	30.79
RIGHT TO USE	16,262.55	2,021.18	590.02	17,693.71	5,766.75	744.97	6,009.33	10,495.80
Building	18.79	3.20	-	21.99	7.14	6.35	13.49	11.65
Land	3.15	-	-	3.15	1.06	1.06	2.12	2.09
Plant and equipment	490.26	-	-	490.26	315.89	47.30	363.19	174.37
Vehicles	12.06	-	-	12.06	5.12	1.46	6.57	6.94
TOTAL PPE AND RIGHT TO USE	16,786.81	2,024.38	590.02	18,221.17	6,095.96	801.14	6,394.70	10,690.85
INTANGIBLE ASSETS								
Computer software	64.14	8.63	8.71	64.06	55.34	5.28	51.91	8.80
CAPITAL WORK IN PROGRESS								
TOTAL	16,850.95	2,033.01	598.73	18,285.23	6,151.30	806.42	6,446.61	10,753.88

Notes to Financial Statement for the year ended March 31, 2023

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	6,044.22	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 company (merged entities) of Patel Engineering Limited	FY 2021-22	These land is acquired through merger order given by Competent authority and the same is in process of transferring in the name of the company.
Property, plant & equipment*	Land & Building	183.34	PEL Power Ltd.			
Property, plant & equipment*	Building	7.64	PEL Power Ltd.			
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. The Land was purchased accordingly.
Property, plant & equipment	Land	23.71	Mrs. Silloo Yezdi Patel	Ex-director	FY 2001-02	
Property, plant & equipment	Land	4.07	Mr. Rupen Pravin Patel	Director	FY 2000-01	

*Refer note no 56

- 2 a) Building includes building [gross block - ₹ 559.35 million (₹ 277.81 million), accumulated depreciation ₹ 71.05 million (₹ 67.71 million)] and factory building [gross block - ₹ 151.67 million (₹ 151.67 million), accumulated depreciation ₹ 76.60 million (₹ 71.19 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 ₹ 539.40 million (₹ 37.12 million) not commissioned/erected/put to use.

Vehicles includes	Gross block 2022-23	Gross block 2021-22	Acc dep. 2022-23	Acc dep. 2021-22
Motor car	299.58	300.91	222.82	230.56
Motor truck	1,303.18	1,270.14	916.79	937.23
Motor cycle	3.25	3.58	2.51	3.02

Others include	Gross block 2022-23	Gross block 2021-22	Acc dep. 2022-23	Acc dep. 2021-22
Ship	0.06	0.06	0.06	0.06
Rails and trolley	34.60	34.60	29.20	28.65

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	132.28	-	2.91	135.20

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, 2023.

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

₹ Million

Particulars	Gross block			Depreciation and amortization			Net book value				
	As at April 1, 2021	Business combination	Addition	Deduction / retirement	As at March 31, 2022	As at April 1, 2021	Business combination	For the year	Adjustment / deduction	As at March 31, 2022	As at March 31, 2021
TANGIBLE ASSETS											
Land ¹	169.29	6,145.67	29.51	-	6,344.47	-	-	-	-	6,344.47	169.29
Building ²	424.97	111.60	6.06	113.13	429.50	122.10	22.04	8.50	13.74	138.90	302.88
Plant and equipment ³	6,524.51	0.44	1,287.83	386.54	7,426.24	3,940.17	0.36	498.33	352.64	4,086.22	2,584.33
Furniture and fixtures	44.02	44.80	6.05	0.34	94.53	39.88	44.63	1.52	0.06	85.97	4.15
Vehicles ⁴	1,345.21	3.13	241.18	14.89	1,574.63	1,112.73	3.13	69.10	14.32	1,170.64	232.47
Office equipments	46.17	11.48	5.91	0.01	63.55	43.25	11.43	1.58	0.00	56.26	2.93
Others ⁵	40.08	-	5.28	10.69	34.67	28.96	-	1.08	1.34	28.70	11.12
Electric equipment	97.14	15.12	39.41	-	151.67	61.58	15.09	10.89	-	87.56	35.56
Computer equipments	115.56	9.54	18.56	0.37	143.29	89.00	9.54	14.32	0.36	112.50	26.57
	8,806.95	6,341.78	1,639.79	525.97	16,262.55	5,437.67	106.22	605.32	382.46	5,766.75	3,369.29
RIGHT TO USE⁶											
Building	3.69	-	15.10	-	18.79	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	0.05	0.05	315.89	218.93
Vehicles	12.06	-	-	-	12.06	3.66	-	1.46	-	5.12	8.40
	484.65	-	39.74	0.13	524.26	255.94	-	73.32	0.05	329.21	228.71
TOTAL PPE AND RIGHT TO USE	9,291.60	6,341.78	1,679.53	526.10	16,786.81	5,693.61	106.22	678.64	382.51	6,095.96	3,598.00
INTANGIBLE ASSETS											
Computer software	55.56	0.05	8.52	-	64.14	52.53	0.05	2.76	-	55.34	3.03
CAPITAL WORK IN PROGRESS											
TOTAL	9,347.16	6,341.83	1,688.05	526.10	16,850.95	5,746.14	106.27	681.40	382.51	6,151.30	3,655.60

Notes to Financial Statement for the year ended March 31, 2023

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	6,044.22	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 company (merged entities) of Patel Engineering Limited	FY 2021-22	These land is acquired through merger order given by Competent authority and the same is in process of transferring in the name of the company.
Property, plant & equipment*	Land & Building	183.34	PEL Power Ltd.			
Property, plant & equipment*	Building	7.64	PEL Power Ltd.			
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. The Land was purchased accordingly.
Property, plant & equipment	Land	23.71	Mrs. Silloo Yezdi Patel	Ex-director	FY 2001-02	
Property, plant & equipment	Land	4.07	Mr. Rupen Pravin Patel	Director	FY 2000-01	

*Refer note no 56

- 2 a) Building includes building [gross block ₹ 277.87 million (₹ 277.79 million), accumulated depreciation ₹ 67.76 million (₹ 56.56 million)] and factory building [gross block ₹ 151.67 million (₹ 147.19 million), accumulated depreciation ₹ 71.19 million (₹ 65.54 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 (P.Y. ₹ 37.37 million) not commissioned/erected/put to use.

	Gross block 2021-22	Gross block 2020-21	Acc dep. 2021-22	Acc dep. 2020-21
Vehicles includes				
Motor car	300.91	281.14	230.56	212.62
Motor truck	1,270.14	1,060.49	937.23	897.51
Motor cycle	3.58	3.58	3.02	2.77

	Gross block 2021-22	Gross block 2020-21	Acc dep. 2021-22	Acc dep. 2020-21
Others include				
Ship	0.06	0.06	0.06	0.06
Rails and trolley	34.60	40.01	28.65	28.91

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	51.32	-	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, 2023

NOTE : 3

INVESTMENT

NON-CURRENT INVESTMENTS	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Investment in equity instruments at cost, unquoted		
- In subsidiaries		
8,85,220 shares (8,85,220) of Michigan Engineers Pvt. Ltd., face value ₹10/- per share	111.86	111.86
10,000 shares (10,000) of Shreeanant Construction Pvt. Ltd., face value ₹10/- per share	0.10	0.10
50,000 shares (50,000) of 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
72,10,000 shares (72,10,000) of Bhooma Realities 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
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
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
23,65,000 shares (23,65,000) of Patel Engineering Singapore Pte. Ltd., face value US \$ 1/- per share	94.46	94.46
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
18,64,482 shares (18,64,482) of Patel Energy Ltd., face value ₹10/- per share	186.46	186.46
7,10,00,000 shares (7,10,00,000) of Dirang Energy Pvt. Ltd., face value ₹10/- per share	710.00	710.00
10,000 shares (10,000) of West Kameng Energy Pvt. Ltd., face value ₹10/- per share	0.10	0.10
10,000 shares (10,000) of Digin Hydro Power Pvt. Ltd., face value ₹10/- per share	0.10	0.10
72,500 shares (72,500) of Meyong Hydro Power Pvt. Ltd., face value ₹10/- per share	0.73	0.73
4,77,501 shares (4,77,501) of Saskang Rong Energy Pvt. Ltd., face value ₹10/- per share	228.57	228.57
2,87,93,077 shares (2,87,93,077) of Patel Engineering Lanka Pvt Ltd., face value LKR 1/- per share	11.90	11.90
	2,527.82	2,527.82

Notes to Financial Statement for the year ended March 31, 2023

NON-CURRENT INVESTMENTS	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
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
Nil (2,66,72,000) of Raichur Sholapur Transmission Co. Pvt. Ltd., face value ₹ 10/- per share	-	266.72
	1,089.70	1,356.42
Investment in Optionally fully convertible debenture at cost		
0% redeemable optionally fully convertible debentures in Bhooma Realities Pvt. Ltd.	89.92	89.92
	89.92	89.92
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}	1,589.00	1,504.48
	2,145.77	2,497.01
Investment in government securities ^{IV}	0.12	0.12
Investment by joint venture	76.00	76.00
Investment in partnership firms	-	-
Investment in mutual funds (at FVTPL, quoted)	35.02	5.02
TOTAL NON-CURRENT INVESTMENT	2,256.91	2,578.15

^I Aggregated amount of unquoted investments as at March 31, 2023 ₹ 2,221.89 million (P.Y. ₹ 2,573.13 million)

^{II} Aggregated amount of quoted investments as at March 31, 2023 ₹ 35.02 million, market value ₹ 35.02 million (P.Y. ₹ 5.02 million, market value ₹ 5.02 million)

^{III} Aggregated amount of impairment in value of investments as at March 31, 2023 ₹ 1,589.08 million (P.Y. ₹ 1,504.48 million)

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

Notes to Financial Statement for the year ended March 31, 2023

NOTE : 4 TRADE RECEIVABLES

	Non-current		Current	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Unsecured, considered good unless otherwise stated				
Receivables outstanding for a period exceeding six months				
Considered good	2,619.50	3,207.07	2,639.01	2,441.64
Considered doubtful	-	-	668.01	4.96
	2,619.50	3,207.07	3,307.02	2,446.60
Less : allowance for doubtful debts	-	-	668.01	4.96
(A)	2,619.50	3,207.07	2,639.01	2,441.64
Other receivables				
Considered good	(B) 106.92	1,473.22	1,692.92	1,384.56
(A+B)	2,726.42	4,680.29	4,331.93	3,826.20

- 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 ₹ 4,887.40 millions (P.Y. ₹ 3,400.51 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, 2023							
Undisputed trade receivable - considered good	933.81	660.67	974.40	861.05	1,415.19	2,210.96	7,056.07
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	4.85	-	4.85
Undisputed trade receivables - credit impaired	-	-	-	-	2.39	663.05	665.44
	933.81	660.67	974.40	861.05	1,422.42	2,874.01	7,726.36
Less: Allowance for doubtful debts	-	-	-	-	4.96	663.05	668.01
Total receivable	933.81	660.67	974.40	861.05	1,417.47	2,210.96	7,058.35
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

Notes to Financial Statement for the year ended March 31, 2023

NOTE : 5

LOANS

	Non-current		Current	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Balance in current account with related parties				
Unsecured, considered good	6,035.39	5,871.37	967.08	917.09
Balance which have significant increase in credit risk	1,294.73	1,226.62	-	4.80
	7,330.12	7,097.99	967.08	921.89
Less: Provision for impairment	1,294.73	1,226.62	-	4.80
	6,035.39	5,871.37	967.08	917.09

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, 2023 ₹ Million	March 31, 2022 ₹ Million	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Cash and bank balances				
Balance with banks				
- On fixed deposits accounts with scheduled banks*	2,068.94	1,783.40	-	-
Deferred finance cost	70.31	56.83	-	-
Secured deposit	2,550.67	2,499.86	1,216.97	1,188.14
Accrued interest	1,763.95	1,422.12	21.84	37.07
Unsecured, considered good	5.06	5.06	116.67	121.95
	6,458.93	5,767.27	1,355.48	1,347.15

* Includes amount given towards margin money and earnest money deposits.

NOTE : 7

DEFERRED TAX ASSETS

	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Related to depreciation on fixed assets	(7.10)	(29.26)
Carry forward of an unused tax credit	620.98	620.98
Other disallowances under the income tax act	1,364.93	1,292.49
	1,978.81	1,884.21

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

	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Deferred income tax liability		
Temporary difference on tangible and intangible assets depreciation and amortisation	(7.10)	(29.26)
Deferred income tax asset		
Disallowances under income tax act	1,364.93	1,292.49
Carry forward of an unused tax credit	620.98	620.98
Total deferred tax assets (net)	1,978.81	1,884.21

Notes to Financial Statement for the year ended March 31, 2023

NOTE : 8

CURRENT TAX ASSETS (NET)

	Non-current		Current	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Advance tax (net) ¹	809.06	529.78	-	-
	809.06	529.78	-	-

- Includes advance tax which is net of provision for tax ₹ 1,491.65 million (P.Y. ₹ 1,111.71 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, 2023 ₹ Million	March 31, 2022 ₹ Million
Profit / loss before income tax	1,983.00	883.40
Income tax expense calculated at 34.944%	692.94	308.69
Effect of expenses not allowed for tax purpose	335.07	4.96
Effect of income not considered for tax purpose	(276.37)	(2.00)
Others	(241.15)	(40.83)
	510.49	270.82

NOTE : 9

OTHER ASSETS

	Non-current		Current	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Capital advance				
Secured, considered good				
Unsecured, considered good	102.05	83.07	-	-
Security deposit				
Unsecured, considered good	-	-	-	-
Doubtful	16.76	16.76	-	-
Advance recoverable				
Unsecured, considered good	179.10	233.63	4,081.10	4,295.66
Doubtful	207.04	469.13	27.30	27.30
Prepaid expenses	228.65	208.68	592.76	441.02
Balance with statutory authorities	745.74	881.22	2,050.83	1,812.77
Accrued interest	-	-	-	-
Receivable on account of sale of long term investments	-	-	51.88	51.88
Non trade receivables	-	-	56.50	31.06
Advances to employees	1.19	1.23	32.89	34.13
	1,480.53	1,893.73	6,893.25	6,693.83
Less: Allowance for doubtful advances	223.80	485.90	-	-
Less: Provision for impairment	-	-	27.30	27.30
	1,256.73	1,407.84	6,865.95	6,666.53

Notes to Financial Statement for the year ended March 31, 2023

NOTE : 10

INVENTORIES*

(At lower of cost or net realisable value)

	Current	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Stock of land	2,444.15	2,597.44
Stores, embedded goods and spare parts etc. (Includes stores in transit ₹ 182.67 million (P.Y. ₹ 37.75 million)	2,463.55	2,135.28
Work-in-progress	27,684.50	24,485.94
	32,592.20	29,218.66

*(As technically valued and certified by the management)

NOTE : 11

CASH AND CASH EQUIVALENTS

	Current	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Balance with banks		
- On current accounts with scheduled banks	1,075.54	1,859.48
- On fixed deposits accounts with scheduled banks	605.24	32.43
- On fixed deposits accounts with foreign banks	23.32	21.38
- Foreign currency in hand	0.24	0.33
Cash on hand	1.21	1.87
	1,705.55	1,915.49

NOTE : 12

OTHER BANK BALANCES

	Current	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Balances with bank for unpaid dividend	-	-
	-	-

NOTE : 13

ASSETS CLASSIFIED AS HELD FOR SALE

	Current	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Investment		
2,50,000 shares (2,50,000) of Bellona Estate Developers Ltd., face value ₹ 10/- per share	-	-
Total	-	-

Notes to Financial Statement for the year ended March 31, 2023

NOTE : 14

SHARE CAPITAL AND OTHER EQUITY

A) SHARE CAPITAL	March 31, 2023		March 31, 2022	
	No. of shares	₹ Million	No. of shares	₹ Million
a) Authorized				
Equity shares of ₹ 1/- each*	9,95,43,00,000	9,954.30	27,500,00,000	2,750.00
Zero coupon optionally convertible preference shares of ₹ 1/- each	80,00,00,000	800.00	80,00,00,000	800.00

* Pursuant to the Merger scheme under section 230 to section 232 of the Companies act, 2013, which has been sanctioned by the National Company Law Tribunal, Mumbai Bench and Hyderabad Bench ('NCLT'), 14 subsidiaries of the Company has been merged with the Company and the authorised share capital of these subsidiaries is added to the authorised share capital of the Company w.e.f. appointed date i.e. April 1, 2021.

b) Issued, subscribed and fully paid up	March 31, 2023		March 31, 2022	
	No. of shares	₹ Million	No. of shares	₹ Million
Equity shares of ₹ 1/- each	77,36,17,228	773.62	47,92,30,494	479.23
	77,36,17,228	773.62	47,92,30,494	479.23

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.

d) Reconciliation of equity shares outstanding at the beginning and at end of the year	March 31, 2023		March 31, 2022	
	No. of shares	₹ Million	No. of shares	₹ Million
Outstanding at the beginning of the year	47,92,30,494	479.23	40,81,78,292	408.18
Add :- issued during the year	29,43,86,734	294.39	5,72,74,732	57.27
Outstanding at the end of the year	77,36,17,228	773.62	46,54,53,024	465.45

e) Share held by each shareholder more than 5%

Equity shares

Name of the shareholder	March 31, 2023		March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
i) Raahitya Constructions Pvt. Ltd. (erstwhile Patel Corporation LLP)	23,24,06,527	30.04	18,53,31,924	38.67
ii) Prahm India LLP	4,01,95,352	5.20	4,01,95,352	8.39
iii) Mr. Rupen Pravin Patel	3,07,85,933	3.98	3,46,85,933	7.24

f) During the year, the allotment committee of the Company on July 25, 2022 allotted 2,39,61,525 equity shares of face value ₹ 1/- each for cash at par aggregating to ₹ 2,39,61,525 to Patel Engineering Employee Welfare Trust under Patel Engineering Employees' Stock Option Plan 2007 and on September 9, 2022, allotted 1,25,52,800 equity shares of face value ₹ 1/- each @ issue price of ₹ 25.36 per share (including a premium of ₹ 24.36 per share) aggregating to ₹ 31,83,39,008 to a category I registered FPI by way of preferential allotment and money raised through private placement offer letter have been applied for the stated purpose under the private placement offer letter.

Notes to Financial Statement for the year ended March 31, 2023

Further, the Company has issued and allotted 25,78,72,409 equity shares, by way of Rights issue to the existing shareholders of the Company, of the face value ₹ 1/- each at the price of ₹ 12.60 per equity share (including a premium of ₹ 11.60 per share) aggregating to ₹ 3,249.19 million. The utilisations of the money raised through rights issue are in term of the letter of offer. As on March 31, 2023, an amount of ₹ 529.50 Million is pending utilisation, kept in a separate bank account / temporary invested in fixed deposit and shall utilised for the purposes stated in the said letter of offer.

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, 2023			March 31, 2022		
	No. of shares	% of total shares	% changes during the year	No. of shares	% of total shares	% changes during the year
i Mr. Rupen Patel	3,07,85,933	3.98	(11.24)	3,46,85,933	7.24	-
ii Raahitya Constructions Private Limited	23,24,06,527	30.04	25.40	18,53,31,924	38.67	-
iii Praham India LLP	4,01,95,352	5.20	-	4,01,95,352	8.39	-
iv Ms. Alina Rupen Patel	12,90,000	0.17	-	12,90,000	0.27	-
v Ms. Chandrika Patel	1,49,900	0.02	-	1,49,900	0.03	-
vi Mr. Ryan Rupen Patel	90,000	0.01	-	90,000	0.02	-
Total	30,49,17,712	39.41	14.16	26,17,43,109	54.62	-

I) Share issued during the year

During the Year, the allotment committee of the Company on July 25, 2022 allotted 2,39,61,525 equity shares of face value ₹ 1 each for cash at par aggregating to ₹ 2,39,61,525 to Patel Engineering Employee Welfare Trust under Patel Engineering Employees' Stock Option Plan 2007 and on September 9, 2022, allotted 1,25,52,800 equity shares of face value ₹ 1 each @ issue price of ₹ 25.36 per share (including a premium of ₹ 24.36 per share) aggregating to ₹ 31,83,39,008 to a Category I registered FPI by way of on preferential allotment.

Further, the Company has issued and allotted 25,78,72,409 equity shares, by way of rights issue to the existing shareholders of the Company, of the face value ₹ 1 each at the price of ₹ 12.60 per equity share (including a premium of ₹ 11.60 per share) aggregating to ₹ 3,249.19 million.

The money raised during the year have been applied for the stated purpose under offer for sale/letter of offer respectively.

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

Notes to Financial Statement for the year ended March 31, 2023

NOTE : 15

BORROWINGS

	Non-current portion		Current maturities	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
I Secured loans				
a) Debentures ¹	3,369.25	3,667.17	417.00	1,138.00
b) Term loans				
- From bank ²	515.16	1,414.25	372.80	773.69
- From others ³	100.00	572.89	328.00	237.84
II Unsecured loans				
- From related parties ⁴	-	250.00	-	-
- Amount disclosed under "borrowings" in note no. 22	-	-	(1,117.80)	(2,149.53)
	3,984.41	5,904.31	-	-

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 ₹ 238.00 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 F.Y. 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, 2023 are as follows -

Tranche 1. (WCTL) ₹ 908.11 million (P.Y. ₹ 1,190.73 million), Tranche 2 (CC) ₹ 2,212.38 million (P.Y. ₹ 2,215.05 m 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. ₹ 9.93 million). These debentures have a face value of ₹ 1000 each aggregating to ₹3,882.62 million as on March 31, 2023 (P.Y. ₹ 4,167.89 million) and outstanding liabilities on these debenture under IND AS 109 is ₹ 3,369.25 million (P.Y. ₹ 4,805.17 million) as on March 23.

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 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.

Notes to Financial Statement for the year ended March 31, 2023

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 F.Y. 2020 to F.Y. 2023. In F.Y. 20-21, due to covid 19 pandemic, the lenders had invoked one time restructuring (OTR) which has been implemented in F.Y. 21-22 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%- 11.50% (floating) linked to monitoring institution's base rate.

3 From others

The term loan of ₹ 100.00 million (P.Y. ₹ 572.89 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 Nil (P.Y. ₹ 250.00 million).

NOTE : 16

LEASE LIABILITY

	Non-current		Current	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Lease liability	78.19	184.32	92.67	105.92
	78.19	184.32	92.67	105.92

Notes to Financial Statement for the year ended March 31, 2023

NOTE : 17

TRADE PAYABLES*

	Non-current	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Trade creditors	467.91	741.54
Piece rate wages payable	2,591.04	2,549.97
Unbilled expenses	2,177.37	1,969.00
Capital creditors	945.83	510.79
	6,182.15	5,771.30

*Ageing of trade payable is given under note no 57

NOTE : 18

OTHER FINANCIAL LIABILITIES

	Non-current	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Interest accrued but not due on borrowings	2,012.22	1,667.28
	2,012.22	1,667.28

NOTE : 19

PROVISIONS

	Non-current		Current	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Provision for employee benefits (refer note no 33)				
Provision for gratuity	22.38	25.19	35.38	38.32
Provision for leave entitlements	139.77	111.62	15.07	20.18
	162.15	136.81	50.45	58.50

NOTE : 20

OTHER NON CURRENT LIABILITIES

	Non-current	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Contractee advances	4,814.68	5,961.09
Deposits	289.36	178.92
Other liability	642.98	720.84
	5,747.02	6,860.85

Notes to Financial Statement for the year ended March 31, 2023

NOTE : 21 DEFERRED REVENUE

	Non-current	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Deferred revenue	78.92	68.01
	78.92	68.01

NOTE : 22 BORROWINGS

	Current	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
I Secured loans		
Short term loans ¹		
- From bank	-	-
- From other	277.01	262.41
Loans repayable on demand		
- From bank ²	9,312.39	10,841.94
II Unsecured loans		
- From others	-	-
- From related parties ³	730.15	748.88
III Current maturities of long-term debt	1,117.80	2,149.53
	11,437.35	14,002.76

Short term loan

1 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. The rates of Interest for these loans vary between 10%- 11.50% (floating) linked to monitoring institution's base rate. Presently there are no interest and principal overdue for repayment & outstanding for such loans taken by the company.

2 Loans repayable on demand

Includes cash credit and working capital demand loan from various banks. These loans have been given against first 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 sanction for the loans from March 2021 up to March 31, 2022.

Terms of repayment:

Cash credit- yearly renewal, rate of interest ranges between 10.35%-12.31% p.a. (P.Y. 10%-12.85% p.a.)

Notes to Financial Statement for the year ended March 31, 2023

3 Unsecured loan

It includes short term inter corporate payables to related parties of ₹ 730.15 million (P.Y. ₹ 748.88 million).

NOTE : 23

TRADE PAYABLES*

	Current	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Total outstanding dues of micro enterprises and small enterprises ¹	38.98	35.88
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Trade creditors	5,910.59	4,585.18
Piece rate wages payable	4,646.48	3,532.93
Provisions - others	4,178.39	4,406.64
	14,774.44	12,560.63

*Ageing of trade payable is given under note no 57

- 1 The Company has ₹ 38.98 million (P.Y. ₹ 35.88 million) due to the suppliers under the micro small and medium enterprise development act, 2006, as at March 31, 2023. The principal amount due to suppliers under the Act is ₹ 18.33 million (P.Y. ₹ 20.80 million). The interest accrued and due to the suppliers on the above amount is ₹ 19.95 million (P.Y. ₹ 14.58 million). Payment made to the suppliers (other than interest) beyond appointed day during the year is ₹ 2.56 million (P.Y. ₹ 2.82 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 ₹ 0.70 million (P.Y. ₹ 0.51 million). Interest accrued and remaining unpaid at the end of the accounting year is ₹ 20.65 million (P.Y. ₹ 15.09 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 ₹ 18.68 million (P.Y. ₹ 13.25 million).

The above information is required to be disclosed under the micro, small and medium enterprises development Act, 2006 and has been determined to the extent such parties had been identified on the basis of information available with the Company and relied upon by the auditors.

NOTE : 24

OTHER FINANCIAL LIABILITIES

	Current	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Interest accrued and due on borrowings	16.12	30.96
Deposits	131.33	83.29
	147.45	114.25

Notes to Financial Statement for the year ended March 31, 2023

NOTE : 25

OTHER CURRENT LIABILITIES

	Current	
	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
(a) Other Liabilities		
Contractee advances	6,219.13	4,752.78
Other payables		
Payable to employees	568.97	550.24
Other liabilities	651.06	531.58
(b) Balance in current account		
(i) With subsidiaries, associates	0.89	0.83
(ii) With joint ventures	549.29	571.47
	7,989.34	6,406.90

NOTE : 26

REVENUE FROM OPERATIONS

	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
(a) Revenue/turnover		
Add: increase/(decrease) in work in progress	34,290.02	29,335.53
Sale of goods	3,198.55	(100.84)
	-	1.10
Total turnover	37,488.57	29,235.79
(b) Other operating revenue		
Lease and service charges	0.86	0.96
Share of profit from partnership firm	-	-
Miscellaneous operating revenue	681.83	1,061.71
	38,171.26	30,298.46

Disaggregation of revenue on the basis of	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Primary geographical market wise		
Domestic	34,363.96	27,877.41
International	3,807.30	2,421.04
Major product/service lines wise		
EPC	38,049.27	30,297.39
Real Estate	121.99	1.06
Timing of revenue recognition wise		
At a point in time	804.69	1,064.83
Over period of time	37,366.57	29,233.62

Notes to Financial Statement for the year ended March 31, 2023

NOTE : 27

OTHER INCOME

	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Gain on sale of assets (net)	12.99	5.17
Gain on sale of investments (net)	0.30	-
Other non operating income	285.17	232.51
Interest income	829.66	880.44
Net gain on foreign currency translation	173.96	72.28
Excess credit written back	140.63	158.89
	1,442.71	1,349.29

NOTE : 28

COST OF CONSTRUCTION

	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Stores, embedded goods and spare parts *		
Inventories at the beginning of the year	2,135.28	1,662.01
Add : purchase (net)	9,380.17	8,300.41
	11,515.45	9,962.42
Less : inventories at the end of the year	2,463.55	2,135.28
Consumption of stores and spares	9,051.90	7,827.14
Piece rate expenses (net)	15,153.83	10,838.01
Repairs to machinery	60.50	50.63
Transportation, hire etc.	1,681.15	1,302.89
Power, electricity and water charges	630.61	524.72
Project development cost	-	0.05
Technical consultancy fees	170.15	202.83
Other construction costs	1,180.51	1,099.76
	27,928.65	21,846.03

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

NOTE : 29

EMPLOYEE BENEFITS EXPENSE

	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Salaries, wages and bonus	2,864.82	2,241.35
Contribution to provident and other funds (refer note no 33)	184.49	101.50
Employee stock option (ESOP) (refer note no 34)	-	0.44
Staff welfare expenses	198.97	158.96
	3,248.28	2,502.25

Notes to Financial Statement for the year ended March 31, 2023

NOTE : 30

FINANCE COSTS

	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Interest expense	3,242.31	3,173.81
Other borrowing costs	754.99	759.86
	3,997.30	3,933.67

NOTE : 31

OTHER EXPENSES

	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Other administrative costs		
Rent	80.76	64.16
Insurance	269.77	142.24
Rates and taxes	186.05	203.32
Advertisement and selling expenses	23.81	3.23
Travelling and conveyance	84.16	49.06
Directors fees	2.23	1.38
Auditor's remuneration		
Audit fees	5.04	4.75
Limited review	0.80	0.80
Taxation and other services	4.24	-
Certification	0.06	0.17
	10.14	5.72
Communication expenses	17.48	14.45
Printing and stationery	20.12	15.23
Legal and consultancy charges	370.53	363.34
Loss on sale of asset discarded	0.01	23.91
Irrecoverable debts written off / provided	8.31	115.51
Other expenses	516.18	373.28
	1,589.55	1,374.83

NOTE : 32

EXCEPTIONAL ITEMS :

	March 31, 2023 ₹ Million	March 31, 2022 ₹ Million
Reversal of provision made for future loss ^a	(653.30)	-
Provision for doubtful trade receivable ^b	663.05	225.98
Provision for doubtful debts ^c	-	5.11
Loss on Sale of investment ^d	67.81	-
Provision for impairment on loans and advances ^e	240.20	193.05
Sundry credit balances written back ^e	(256.98)	-
	60.78	424.14

Notes to Financial Statement for the year ended March 31, 2023

- On substantial completion of the project, company has reversed the provision made for future loss.
- During the current year, company has negotiated with the JDA partner for settlement of balance consideration which is accounted as receivable under IND AS against lump sum payment and recognized the provision for balance amount.
- Provision made for impairment based on indication of diminution in value of advance to a firm/ subsidiaries.
- Excess amount over and above loan and investment has written off during the year.
- Based on internal and external information company has reversed the provision made earlier,

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, 2023 and March 31, 2022:

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

	₹ Million	
	Gratuity (Funded)	Gratuity (Non - funded)
Current service cost	28.19	5.53
	(20.82)	(5.95)
Interest cost (net)	9.11	1.80
	(6.45)	(1.50)
Net actuarial (gain) / losses	(4.45)	(8.93)
	(3.92)	(-4.29)
Total expenses recognized in the statement of profit and loss	32.86	(1.60)
	(31.19)	(3.16)

(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	(183.79)	(23.24)
	(-163.48)	(-24.84)
Fair value of plan assets as at the year end	84.37	-
	(37.43)	-
Funded liability recognized in the balance sheet	(99.43)	(23.24)
	(-126.05)	(-24.84)

Notes to Financial Statement for the year ended March 31, 2023

(iii) Changes in defined benefit obligation :

	Gratuity (Funded)	Gratuity (Non - funded)
Liability at the beginning of the year	163.48	24.84
	(191.76)	(21.99)
Interest cost	11.82	1.80
	(9.47)	(1.50)
Current service cost	28.19	5.53
	(20.82)	(4.29)
Benefit paid	(15.65)	-
	(-9.98)	(-0.30)
Actuarial (gains) / losses on obligations	(4.04)	(8.93)
	(-48.60)	(-5.65)
Liability at the end of the year	183.79	23.24
	(163.47)	(24.84)

(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	37.43	-
	(44.43)	-
Expected return on plan assets	2.71	-
	(3.02)	-
Contributions by the employer	59.48	-
	-	-
Benefit paid	(15.65)	-
	(-9.98)	-
Actuarial gain on plan assets	0.41	-
	(-0.05)	-
Fair value of plan assets at the end of the year	84.37	-
	(37.43)	-
Total actuarial gain to be recognized	(4.45)	-
	(48.55)	-

(v) Actual return on plan assets

	Gratuity (Funded)	Gratuity (Non - funded)
Expected return on plan assets	2.71	-
	(3.02)	-
Actuarial gain on plan assets	0.41	-
	(-0.05)	-
Actuarial gain on plan assets	3.11	-
	(2.97)	-

Notes to Financial Statement for the year ended March 31, 2023

(vi) The Company expects to contribute ₹ 95.09 million (P.Y. ₹ 81.05 million) to gratuity funded plan in F.Y. 2023-24.

(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	7.56% (7.23%)	7.50% (7.25%)
Rate of increase in compensation levels	5.50% (5.50%)	5.50% (5.50%)
Expected rate of return on plan assets	7.56% (7.23%)	- -
Attrition rate	4.00% (4.00%)	4.00% (4.00%)
Average age of retirement (years)	62 (60)	60 (60)

(ix) Experience adjustments

	Gratuity (Funded)	Gratuity (Non - funded)
On plan obligation (gain)/loss	0.96 (-3.44)	(8.29) (4.44)
On plan asset (loss)/gain	0.41 (0.05)	- -

(x) Maturity profile of defined benefit obligation

	Gratuity (Funded)	Gratuity (Non - funded)
1 years	19.87 (29.09)	1.19 (1.17)
Between 2 to 5 years	50.72 (42.75)	5.52 (5.53)
Beyond 5 years	333.31 (242.86)	60.06 (64.82)
The weighted average duration of the defined benefit plan obligation at the end of the reporting period (years)	10 (9)	13 (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 ₹ 184.49 million (P.Y. ₹ 101.50 million)

Notes to Financial Statement for the year ended March 31, 2023

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

b) Movement of option granted

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	Nos.	Nos.
Outstanding at the beginning of the year	-	25,000
Grant during the year	-	-
Exercised during the year	-	25,000
Cancelled during the year	-	-
Lapsed during the year	-	-
Outstanding at the end of the year	-	-
Exercisable at the end of the year	-	-
Weighted average life of options	N.A.	NA

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 Financial Statement for the year ended March 31, 2023

35 LEASE

Disclosure as per IND AS 116

Amount recognised under statement of profit and loss

Particulars	2022-23 ₹ Million	2021-22 ₹ Million
Depreciation	56.17	73.32
Interest on lease liability	29.89	37.56
Expenses related to short term leases	80.76	64.16
Total expenses	166.82	175.04

36 EARNING PER SHARE (EPS)

Particulars	2022-23 ₹ Million	2021-22 ₹ Million
Net profit as per the statement of profit and loss available for shareholders for both basic and diluted earnings per shares of ₹ 1/- each	1,555.64	555.42
Weighted average number of equity shares for basic EPS (in no.)	524,625,625	475,229,365
Add: weighted average potential equity shares		
- On issue of optionally convertible debentures*	355,940,628	211,906,025
Weighted average number of equity shares for diluted EPS (in no.)	880,566,253	687,135,390
Earning per share (basic) ₹	2.97	1.17
Earning per share (diluted) ₹	2.10	1.17

*The above 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

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. Michigan Engineers Pvt. Ltd. | 15. Digin Hydro Power Pvt. Ltd. |
| 2. Shreeanant Construction Pvt. Ltd. | 16. Meyong Hydro Power Pvt. Ltd. |
| 3. Energy Design Pvt. Ltd. | 17. Saskang Rong Energy Pvt. Ltd. |
| 4. Patel Patron Pvt. Ltd. | 18. Patel Engineering (Mauritius) Ltd. |
| 5. Pandora Infra Pvt. Ltd. | 19. Patel Engineering Singapore Pte. Ltd. |
| 6. Shashvat Land Projects Pvt. Ltd. | 20. Patel Engineering Inc. |
| 7. Patel Engineering Lanka Pvt. Ltd. | 21. Patel KNR Infrastructure Ltd. |
| 8. Vismaya Constructions Pvt. Ltd. | 22. Apollo Buildwell Pvt. Ltd. (Till February 16, 2022) |
| 9. Bhooma Realties Pvt. Ltd. | 23. Arsen Infra Pvt. Ltd. |
| 10. Friends Nirman Pvt. Ltd. | 24. Hera Realcon Pvt. Ltd. |
| 11. Hampus Infrastructure Pvt. Ltd. | 25. Lucina Realtors Pvt. Ltd. (Till July 19, 2021) |
| 12. Patel Engineering Infrastructure Ltd. | 26. PBSR Developers Pvt. Ltd. |
| 13. Dirang Energy Pvt. Ltd. (DEPL) | 27. Waterfront Developers Ltd. |
| 14. West Kameng Energy Pvt. Ltd. | 28. Patel Energy Ltd. |

Notes to Financial Statement for the year ended March 31, 2023

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 Arsen Infra Pvt. Ltd.

Lucina Realtors Pvt. Ltd. (from July 19, 2021)

Subsidiaries of Patel Engineering Singapore Pte Ltd.

- | | |
|------------------------------------|----------------------------|
| 1. Patel Surya Singapore Pte. Ltd. | 4. PT Patel Surya Minerals |
| 2. PT PEL Minerals Resources. | 5. PT Surpat Geo Minerals |
| 3. PT Patel Surya Jaya | |

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 |

Direct Associates:

- | | |
|---|---|
| 1. ACP Tollways Pvt. Ltd. | 3. Bellona Estate Developers Ltd. (BEDP) |
| 2. Raichur Sholapur Transmission Co. Pvt. Ltd. (Till 9/11/2022) | 4. Hitodi Infrastructure Pvt. Ltd. (Formally known as Hitodi Infrastructure Ltd.) |

Associate of Patel Engineering Infrastructure Ltd.

- Patel KNR Heavy Infrastructure Ltd.

Associate of Lucina Realtor Pvt. Ltd.

- PAN Realtors Pvt. Ltd.

Notes to Financial Statement for the year ended March 31, 2023

Joint Ventures: Refer note (42)

Partnership

1. AHCL PEL (Retired)
2. Patel Advance JV

Others

1. Raahitya Constructions Pvt. Ltd.
2. Praham India LLP

B. Key Management Personnel (KMP)

Mr. Rupen Patel	Chairman and Managing Director
Mr. Sunil Sapre	Whole Time Director
Ms. Kavita Shirvaikar	Whole Time Director and Chief Financial Officer
Ms. Shobha Shetty	Company Secretary

C. C. Transaction with related parties with subsidiaries, associate companies, joint operations, partnership and others referred to in item (A) above.

₹ Million

Particular	Subsidiary companies		Associates/ joint operations / partnership/others	
	2022-23	2021-22	2022-23	2021-22
- Investment in equity / preference shares	-	0.69	-	-
- Miscellaneous receipts	-	-	32.19	4.73
- Loans/advances given & current account movement	37.35	160.90	7.45	221.29
- Loans / advances recovered / adjusted	161.24	463.30	140.78	255.56
- Corporate guarantee outstanding as at the end of the year	1,014.50	864.94	3,405.98	4,064.73
- Bank guarantee outstanding as at the end of the year	-	202.11	92.36	249.42
- Outstanding balance included in current / non current assets	7,819.97	7,715.24	928.35	925.41
- Outstanding balance included in current / non current liabilities	53.63	53.95	1,452.64	1,077.08
- Sale of asset	-	-	-	-
- Reimbursement of expenses from	37.73	-	1.90	4.04
- Rent paid	-	-	-	-
- Interest income	267.09	316.24	-	4.30
- Sundry balances written off	-	-	14.36	0.47
- Sundry balance written back	-	-	-	-
- Provision for doubtful debt	-	-	-	5.11
- Refund of mobilisation advance	0.38	4.60	-	-
- Sale of investment	-	-	-	-
- Land transferred to company	-	754.54	-	-
- Other operating income	281.69	19.55	43.19	67.41
- Interest expenses	-	-	-	-
- Provision for impairment of investment	-	0.10	240.20	155.59

Notes to Financial Statement for the year ended March 31, 2023

₹ Million

Particular	Subsidiary companies		Associates/ joint operations / partnership/others	
	2022-23	2021-22	2022-23	2021-22
- Provision for impairment of loans and advances	2.56	(5.66)	0.89	14.63
- Sale of asset	-	-	-	0.06
- Repayment of loan	-	-	1,309.17	-
- Loan taken	-	-	1,063.10	250.00
- Purchase of financial assets	-	-	123.10	-
- Purchase of goods	-	-	-	12.86
- Sub-contractor cost	110.73	-	-	-
- Sale of service	-	-	585.05	131.79
- Sale of materials	-	-	-	0.13
- Security deposit given	182.70	-	-	-
- Decrease / (increase) in corporate guarantee exposure	(149.56)	660.69	658.75	1,634.30
- Other non operating income	5.42	-	-	-

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	2022-23	2021-22
- Investment in equity / preference shares	Patel Engineering Lanka Pvt. Ltd.	-	0.69
- Miscellaneous receipts	NEC PEL JV	-	1.41
	Patel-Michigan JV	30.34	1.23
	Patel SEW JV	-	2.09
- Loans/advances given & current account movement	PBSR Developers Pvt. Ltd.	5.79	142.33
	Patel SEW JV	7.38	56.22
	Vismaya Constructions Pvt. Ltd.	9.36	-
	Raichur Solapur Transmission Co. Pvt. Ltd.	-	0.00
	Patel Patron Pvt. Ltd.	16.38	-
	Patel Advance JV	-	160.91
- Loan/ advances recovered / adjusted	Bhooma Realities Pvt. Ltd.	-	83.14
	Raichur Solapur Transmission Co. Pvt. Ltd.	30.34	-
	Apollo Buildwell Pvt. Ltd.	-	160.91
	Pandora Infra Pvt. Ltd.	126.10	140.60
	Patel SEW JV	65.44	193.62
	Patel Michigan JV	45.00	36.67

Notes to Financial Statement for the year ended March 31, 2023

₹ Million

Particular	Name of the Company	2022-23	2021-22
- Reimbursement of expenses from	Hitodi Infrastructure Pvt. Ltd.	-	3.80
	Bellona Estate Developers Ltd.	0.89	-
	Raichur Solapur Transmission Co. Pvt. Ltd.	1.02	-
	PBSR Developers Pvt. Ltd.	37.73	-
	Patel KNR JV	-	0.11
	Patel SEW JV	-	0.13
- Interest income	Waterfront developers Ltd.	39.55	37.12
	Shashvat Land Projects Pvt. Ltd.	44.62	60.58
	Pandora Infra Pvt. Ltd.	56.56	86.49
	Patel Engineering Infrastructure Ltd.	111.57	97.84
	Raichur Solapur Transmission Co. Pvt. Ltd.	-	4.26
	Patel SEW JV	-	0.04
- Sundry balances written off	Bellona Estate Developers Ltd.	-	0.47
	Raichur Solapur Transmission Co. Pvt. Ltd.	14.36	-
- Provision for doubtful debts	Raichur Solapur Transmission Co. Pvt. Ltd.	-	5.11
- Refund of mobilisation advance	Dirang Energy Pvt. Ltd.	0.38	4.60
- Land transferred to company	Bhooma Realities Pvt. Ltd.	-	139.92
	Pandora Infra Pvt. Ltd.	-	125.43
	Shashvat Land Projects Pvt. Ltd.	-	176.58
	Vismaya Constructions Pvt. Ltd.	-	145.23
	Patel Patron Pvt. Ltd.	-	167.38
- Other operating income	Hitodi Infrastructure Pvt. Ltd.	-	34.50
	Patel Ghodke Joint venture	-	20.28
	Patel KNR JV	6.14	-
	NEC PEL JV	20.78	-
	VPRPL-PEL JV	14.89	12.63
	Patel Patron Pvt. Ltd.	82.57	17.62
	Vismaya Constructions Pvt. Ltd.	174.12	-
- Provision for impairment of investment	Raichur Solapur Transmission Co. Pvt. Ltd.	-	155.59
	Hampus Infrastructure Pvt. Ltd.	-	0.10
	Hitodi Infrastructure Pvt. Ltd.	240.20	-

Notes to Financial Statement for the year ended March 31, 2023

₹ Million			
Particular	Name of the Company	2022-23	2021-22
- Provision for impairment of loans and advances	Shreenant Constructions Pvt. Ltd.	3.13	0.96
	Bhooma Realities Pvt. Ltd.	(0.61)	(7.07)
	Bellona Estate Developers Ltd.	0.89	-
	Raichur Solapur Transmission Co. Pvt. Ltd.	-	14.63
- Sale of assets	Patel Sew JV	-	0.06
- Repayment of loan	Raahitya Constructions Pvt. Ltd.	1,300.00	-
	Hitodi Infrastructure Pvt. Ltd.	9.17	-
- Loan taken	Raahitya Constructions Pvt. Ltd.	1,050.00	250.00
	Hitodi Infrastructure Pvt. Ltd.	13.10	-
- Purchase of financial assets	Patel KNR JV	120.45	-
- Purchase of goods	Patel Sew JV	-	12.86
- Sub-contractor cost	PBSR Developers Pvt. Ltd.	110.73	-
- Sale of service	Patel Sew JV	574.46	131.79
- Sale of materials	Patel Sew JV	-	0.13
- Security deposit given	PBSR Developers Pvt. Ltd.	182.70	-
- Decrease / (increase) in corporate guarantee exposure	Raichur Solapur Transmission Co. Pvt. Ltd.	697.53	-
	Michigan Engineering Pvt. Ltd.	(149.56)	560.69
	PBSR Developers Pvt. Ltd.	-	100.00
	Patel Sew JV	(3.70)	5.07
	Bellona Estate Developers Ltd.	-	1,525.38
- Other non operating income	Michigan Engineering Pvt. Ltd.	5.42	-

Notes to Financial Statement for the year ended March 31, 2023

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

Particular	₹ Million	
	2022-23	2021-22
Managerial remuneration	78.06	61.75
Contribution to provident fund	4.22	3.61
ESOP	-	0.44
Outstanding balance payable	7.13	16.80
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 :

Particulars	₹ Million		
	As at March 31, 2023		
	Business segments		Total
EPC	Real estate		
Segment revenue	38,049.27	121.99	38,171.26
Segment results	1,790.92	252.86	2,043.78
Segment assets	74,693.90	6,620.37	81,314.27
Segment liabilities	50,581.74	2,155.02	52,736.75
Addition to fixed assets	2,033.01	-	2,033.01
Segment depreciation	806.36	0.06	806.42

Particulars	₹ Million		
	As at March 31, 2022		
	Business segments		Total
EPC	Real estate		
Segment revenue	30,297.39	1.06	30,298.45
Segment results	1,124.50	183.10	1,307.60
Segment assets	72,361.60	5,002.30	77,363.90
Segment liabilities	51,719.40	2,119.10	53,838.50
Addition to fixed assets	1,688.06	-	1,688.06
Segment depreciation	683.37	0.06	683.43

Geographical segment :

Particulars	₹ Million		
	As at March 31, 2023		
	Within India	Outside India	Total
Revenue	34,363.96	3,807.30	38,171.26
Non current assets	32,947.40	548.67	33,496.08

Notes to Financial Statement for the year ended March 31, 2023

₹ Million

Particulars	As at March 31, 2022		
	Within India	Outside India	Total
Revenue	27,877.41	2,421.04	30,298.45
Non current assets	32,838.75	634.04	33,472.79

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

₹ Million

Particulars	As at	
	March 31, 2023	March 31, 2022
Revenue from top customer	5,135.37	5,125.47
Revenue from top five customers	17,649.57	15,584.99

39 CORPORATE SOCIAL RESPONSIBILITY EXPENSES

A) In terms of provisions of section 135 of the Companies Act 2013 and rules made thereunder, the company is required to spend an amount of Nil (P.Y. ₹ 6.82 millions) during the financial year on corporate social responsibility (CSR). The company incurred an amount of ₹ 15.80 millions (P.Y. ₹ 17.96 millions) towards CSR expenditure and unspent / (excess) CSR amount as on March 31, 2023 is ₹ (26.94) millions (P.Y. ₹ (11.14) millions).

B) Break up of amount spent during the year

Particulars	In cash	Yet to be paid in cash	Total
As on March 31, 2023			
i) Construction/acquisition of any assets	-	-	-
ii) Purposes other than (i) above	15.80	-	15.80
Total	15.80	-	15.80
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

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, 2023	March 31, 2022
Opening provision	-	-
Addition during the year	15.80	17.96
Utilised during the year	15.80	17.96
Closing provision	-	-

Notes to Financial Statement for the year ended March 31, 2023

E) Unspent / (Excess) Amount

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Opening unspent / (excess) balance	(11.14)	-
Amount deposited in specified fund of Sch. VII within 6 months	-	-
Amount required to be spent during the year	-	6.82
Amount spent during the year	15.80	17.96
Amount which is not carried forward to next year	-	-
Closing unspent / (excess) balance	(26.94)	(11.14)

- 40 The Company is engaged in providing infrastructural facilities and hence, as per section 186(11) of Companies Act, 2013, nothing in section 186 shall apply to the Company except sub-section (1) of the said section. Accordingly, a separate disclosure has not been given in the financial statements as required under section 186(4) with regard to particulars of loan given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security.
- 41 Confirmation letters have been sent in respect of sundry debtors / loans and advances / sundry creditors of which certain confirmations have been received which are accordingly accounted and reconciled. The remaining balances have been shown as per books of accounts and are subject to reconciliation adjustments, if any. In the opinion of the management, the realizable value of the current assets, loans and advances in the ordinary course of business will not be less than the value at which they are stated in the balance sheet.
- 42 **Contracts executed by the following joint ventures / consortiums are accounted for as per the accounting policy no. (k). The principal place of business of all these joint operations is in India and they are engaged in construction business.**

Name of the joint venture / consortium	Name of the JV / consortium member	Patel's share
Joint operations :		
CICO-Patel JV	Chongqing International Construction Corporation	99.90%
Patel Sew JV	Sew Infrastructure Ltd.	60%
KNR – PATEL 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%

Notes to Financial Statement for the year ended March 31, 2023

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%
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%
DK Joint Venture LLP	M/s ABCI Infrastructure Pvt. Ltd.	51%
PEL-PC JV	M/s Prathmesh Construction	80%
PEL-RAMAN JV	M/s Raman Construction Pvt. Ltd.	35%
PATEL-SA JV	Sandeep Associates	75%
Era Patel Advance Kiran JV	Era Infra Engineering Ltd., Advance Construction Company Pvt. Ltd., Kiran Udhog	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%

43 Arbitration awards received in favour of the Company amounting to Nil (P.Y. ₹ 1,413.63 million) is accounted for as construction receipts.

44 Derivative transactions :

Foreign currency exposure that are not hedged by derivative instruments as on March 31, 2023 amounting to ₹ 2,011.55 million (P.Y. ₹ 1,470.41 million).

Foreign currency exposure outstanding at ₹ Million

Particulars	March 31, 2023		March 31, 2022	
	Amount in foreign currency	Amount in functional currency	Amount in foreign currency	Amount in functional currency
Assets				
Trade receivable				
EURO	0.39	34.99	0.38	31.54
NPR	116.42	72.76	219.30	137.06
USD	0.60	49.10	0.59	44.97
Security deposit				
EURO	0.03	3.06	0.03	2.87
JPY	36.22	22.37	36.22	22.47
NPR	411.85	257.41	78.11	48.82
USD	0.00	0.06	0.00	0.06
Inventories				
NPR	3,065.10	1,915.69	2,408.95	1,505.59
Interest accrued				
EURO	0.01	0.70	0.01	0.56
NPR	0.74	0.46	2.28	1.42
Cash and bank balance				
LKR	0.03	0.01	0.04	0.01
MUR	0.00	0.01	0.00	0.01
NPR	89.52	55.95	365.56	228.47
USD	-	-	-	-

Notes to Financial Statement for the year ended March 31, 2023

Foreign currency exposure outstanding at ₹ Million

Particulars	March 31, 2023		March 31, 2022	
	Amount in foreign currency	Amount in functional currency	Amount in foreign currency	Amount in functional currency
Advance to contractor / suppliers				
NPR	1,168.88	730.55	1,871.01	1,169.38
Loan and interest thereon to group companies				
LKR	-	-	-	-
MUR	43.63	78.61	41.60	70.09
NPR	-	-	5.61	3.51
USD	21.17	1,739.65	20.57	1,554.64
Fixed assets				
NPR	783.61	489.75	920.19	575.12
Other advance				
MUR	2.85	5.14	2.85	4.80
NPR	305.45	190.90	225.10	140.69
Liability				
Security deposit				
NPR	(24.13)	(15.08)	(32.13)	(20.08)
Advance from contractor				
EURO	(4.40)	(352.29)	(5.33)	(426.83)
NPR	(1,908.92)	(1,193.07)	(3,086.75)	(1,929.22)
USD	(0.07)	(4.55)	(0.07)	(4.55)
Trade payable				
EURO	(1.92)	(166.90)	(1.85)	(153.51)
NPR	(2,424.20)	(1,515.12)	(2,088.71)	(1,305.44)
USD	(0.13)	(10.64)	(1.78)	(134.18)
Other liability				
NPR	(600.54)	(375.34)	(152.69)	(95.43)
USD	(0.03)	(2.63)	(0.03)	(2.42)

- 45 The Company's pending litigations comprise of claims by or against the Company primarily by the customers / contractors/ suppliers, etc. and proceedings pending with tax and other government authorities. The Company has reviewed its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in 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.
- 46 The Company has granted loans and advances amounting to ₹1,439.92 million (P.Y. ₹ 1,292.11 million) till March 31, 2023 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 the 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

Notes to Financial Statement for the year ended March 31, 2023

any reply to this letter. The company had invoked an arbitration under Promotion and Protection of Investment Treaty signed between India and Mauritius against GOM and same has been completed during the year and the company is expecting the favourable order for the same.

47 Contingent liabilities

- (a) Commitment for capital expenditure is ₹ 807.19 million (P.Y. ₹ 825.40 million), advance paid ₹ 102.05 million (P.Y. ₹ 83.07 million). The company is under commitment to construct specific area for land owner related to a project.
- (b) Counter indemnities given to banks and others in respect of secured guarantees, etc. on behalf of subsidiaries and others given by them in respect of contractual commitments in the ordinary course of business is ₹ 20,678.79 million (P.Y. ₹ 18,032.10 million) (including customs ₹ 42.88 million (P.Y. ₹ 42.88 million)). Corporate guarantees / letter of credit on behalf of subsidiaries and others is ₹ 4,420.48 million (P.Y. ₹ 4,929.67 million). Net off share of JV partner & provisions already considered in books
- (c) Service tax and GST liability that may arise on matters in appeal ₹ 1,349.15 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.
- (d) Sales tax ₹ 72.07 million (P.Y. ₹ 72.07 million) (advance paid Nil (P.Y. Nil)), 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)).
- (e) Income tax liability that may arise on matters in appeal ₹ 3,018.59 million (P.Y. ₹ 3,167.32 million).
- (f) Provident fund liability that may arise on matter in appeal ₹ 15.79 million (P.Y. ₹ 14.35 million) and advance paid ₹ 14.63 million (P.Y. 14.35 million)
- (g) 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.
- (h) 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.
- (i) The Company has provided a “cost overrun undertaking” for its associates BEDL to its lenders.
- (j) 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.

Notes to Financial Statement for the year ended March 31, 2023

48 Information pertaining to loans given to subsidiaries (information pursuant to regulation 34(3) of SEBI (Listing Obligation And Disclosure Requirements) Regulations, 2015:

Loans and advances in the nature of loans given to subsidiaries and associates:

₹ Million

Name of subsidiaries / associates		As at March 31, 2023	As at March 31, 2022	Maximum amount outstanding (2022 – 23)	Maximum amount outstanding (2021 – 22)
Subsidiaries / step down subsidiaries					
1	Michigan Engineers Pvt. Ltd.	94.75	13.55	101.14	13.55
2	Patel Patron Pvt. Ltd.	0.93	(0.00)	15.08	100.97
3	Patel Energy Ltd.	1,015.57	1,015.37	1,015.57	1,015.37
4	Patel Engineering (Mauritius) Ltd.	429.17	383.43	430.75	383.43
5	Patel Engineering Infrastructure Ltd.	908.48	796.87	908.48	796.87
6	Vismaya Constructions Pvt. Ltd.	1.16	(0.00)	8.46	71.74
7	Shashvat Land Projects Pvt. Ltd.	363.74	318.57	363.74	496.32
8	Bhooma Realities Pvt. Ltd.	224.42	224.29	224.42	447.34
9	Pandora Infra Pvt. Ltd.	374.75	443.21	474.38	688.25
10	Patel Eng. Singapore Pte. Ltd.	957.44	880.80	964.24	880.80
11	Dirang Energy Pvt. Ltd.	-	-	0.16	4.03
12	Energy Design Pvt. Ltd.	71.15	71.33	71.35	71.60
13	PT Patel Surya Minerals	12.66	11.65	12.75	11.65
14	Patel Engineering Lanka Pvt. Ltd.	10.34	10.65	10.65	15.42
15	Naulo Nepal Hydroelectric Pvt. Ltd.	-	3.51	-	3.51
16	Shreeanant Constructions Pvt. Ltd.	90.11	87.18	90.11	87.18
17	Apollo Buildwell Pvt. Ltd.	-	-	-	176.81
18	Arsen Infra Pvt. Ltd.	16.77	16.70	16.77	16.70
19	Hera Realcon Pvt. Ltd.	1.29	1.29	1.29	1.29
20	Lucina Realtors Pvt. Ltd.	-	-	0.00	-
21	PBSR Developers Pvt. Ltd.	526.04	530.88	530.98	542.81
22	Waterfront Developers Ltd.	1,439.92	1,292.11	1,443.98	1,292.11
23	Patel KNR Infrastructure Ltd.	0.32	0.26	0.32	1.77
24	Hampus Infrastructure Pvt. Ltd.	0.34	0.33	0.34	0.44
25	Friends Nirman Pvt. Ltd.	-	-	0.00	0.11
26	West Kameng Energy Pvt. Ltd.	221.68	221.64	221.68	221.64
27	Meyong Hydro Power Pvt. Ltd.	240.86	240.29	240.86	240.29
28	Digin Hydro Power Pvt. Ltd.	286.74	286.68	286.74	286.68
29	Saskang Rong Energy Pvt. Ltd.	224.16	224.11	224.16	224.11
Associates					
30	Raichur Solapur Transmission Co. Pvt. Ltd.	-	44.70	45.90	46.09
31	Patel KNR Heavy Infrastructure Ltd.	25.01	25.01	25.01	25.01
32	Patel Advance JV	517.52	517.52	517.52	517.52
33	Bellona Estate Developers Ltd.	0.89	-	0.89	0.26
Total		8,056.21	7,661.92	8,247.72	8,681.67

Notes to Financial Statement for the year ended March 31, 2023

49 Category -wise classification of financials instruments

₹ Million

	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Financial assets measured at FVTPL				
Investment	35.02	5.02	-	-
Financial assets measured at amortised cost				
Investments	2,221.89	2,573.13	-	-
Trade receivables	2,726.42	4,680.29	4,331.93	3,826.20
Loans	6,035.39	5,871.37	967.08	917.09
Deferred finance cost	70.31	56.83	-	-
Other assets	6,388.63	5,710.44	1,355.48	1,347.15
Cash and cash equivalents	-	-	1,705.55	1,915.49
Other bank balances	-	-	-	-

₹ Million

	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Financial liabilities measured at amortised cost				
Borrowings	3,984.41	5,904.31	11,437.35	14,002.76
Lease liabilities	78.19	184.32	92.67	105.92
Trade payables	6,182.15	5,771.30	14,774.44	12,560.63
Other financial liabilities	2,012.22	1,667.28	147.45	114.25

50 Fair value hierarchy

i) The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities :

As at March 31, 2023

₹ Million

Financial asset measured at FVTPL	Fair value as at March 31, 2023	Fair value hierarchy		
		Quoted prices in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
Investments	35.02	35.02	-	-

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	5.02	5.02	-	-

Notes to Financial Statement for the year ended March 31, 2023

ii) Financial instrument measured at amortised cost

The carrying amount of financial assets and liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

51 Financial risk management

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Company is exposed to market risk, credit risk and liquidity risk. The board of directors ('Board') oversee the management of these financial risks through its risk management committee. The risk management policy of the Company formulated by the risk management committee, states the Company's approach to address uncertainties in its endeavour to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of the Company's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate financial risks in order to minimize potential adverse effects on the Company's financial performance.

The following disclosures summarize the Company's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks. Quantitative sensitivity analysis have been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows and financial position of the Company.

1) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's total debt obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With other variables held constant, the Company's profit before tax is affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows :

Change in interest rate	₹ Million			
	Effect on profit before tax		Effect on total equity	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
+50 basis point	(129.69)	(126.95)	(84.37)	(82.59)
-50 basis point	129.69	126.95	84.37	82.59

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company does not enter into any derivative instruments for trading or speculative purposes.

Notes to Financial Statement for the year ended March 31, 2023

The carrying amounts of the Company's foreign currency denominated monetary items are as follows:

₹ Million

Currency	Liabilities		Assets	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
EURO	519.19	580.34	38.75	34.97
JPY	-	-	22.37	22.47
LKR	-	-	0.01	0.01
MUR	-	-	83.76	74.90
NPR	3,098.62	3,603.09	3,713.48	4,062.98
USD	17.82	141.15	1,788.81	1,599.66

The above table represents total exposure of the Company towards foreign exchange denominated liabilities (net). The details of unhedged exposures are given as part of note no. 44

Sensitivity analysis

The Company is mainly exposed to changes in USD & EURO, as NPR is to be repaid at fixed rate; hence the Company is not exposed to any exchange rate fluctuation. The below table demonstrates the sensitivity to a 5% increase or decrease in the USD & EURO against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

₹ Million

Change in EURO rate	Effect on profit before tax		Effect on total equity	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
+5%	24.02	(27.27)	15.63	(17.74)
-5%	(24.02)	27.27	(15.63)	17.74

₹ Million

Change in USD rate	Effect on profit before tax		Effect on total equity	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
+5%	88.55	72.93	57.61	47.44
-5%	(88.55)	(72.93)	(57.61)	(47.44)

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.

Notes to Financial Statement for the year ended March 31, 2023

Price sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in price of investment measured at FVTPL with other variables held constant. The Company's profit before tax is affected through the impact on change in price of investment as follows:

₹ Million

Change in price of investment measured at FVTPL	Effect on profit before tax		Effect on total equity	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
+5%	1.75	0.25	1.14	0.16
-5%	(1.75)	(0.25)	(1.14)	(0.16)

2) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure of the financial assets are contributed by trade receivables, unbilled work-in-progress, cash and cash equivalents and receivable from group companies.

Credit risk on trade receivables and unbilled work-in-progress is limited as the customers of the Company mainly consists of the government promoted entities having a strong credit worthiness. Whenever required, the Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled work-in-progress. The provision matrix takes into account available external and internal credit risk factors such as credit ratings from credit rating agencies, third party report, financial condition, ageing of accounts receivable and the Company's historical experience for customers.

3) Liquidity risk

Liquidity is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

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

₹ Million

Particulars	Less than 1 year	1 - 5 years	More than 5 years	Total
At March 31, 2023				
Borrowings*	11,437.35	3,796.36	188.05	15,421.76
Lease liability	92.67	78.19	-	170.86
Trade payables	14,774.44	6,182.15	-	20,956.59
Other financial liability	147.45	1,935.69	76.53	2,159.66
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	12,560.63	5,771.30	-	18,331.93
Other financial liability	114.25	1,036.56	630.72	1,781.53

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

Notes to Financial Statement for the year ended March 31, 2023

52 Capital management

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

As at March 31, 2023, 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.

Particulars	₹ Million	
	As at March 31, 2023	As at March 31, 2022
Total debt	15,421.76	19,907.07
Total equity	28,577.51	23,525.35
Total debt to total equity ratio (gearing ratio)	0.54	0.85

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements.

- 53** In Patel Advance JV partnership firm, company is having fixed capital of ₹ 0.05 million. In the firm, partnership sharing has been as follows: the Company 49% (P.Y. 49%), Advance Construction Co. Pvt. Ltd. 3% (P.Y. 3%) & Broadcast Lawgical Networks (OPC) Pvt. Ltd. 48% (P.Y. 48%).
- 54** During the year company has made a political contribution of ₹ 30.00 million (P.Y. Nil) to political parties
- 55** The code on social security, 2020 (" the Code") has been approved by the Indian Parliament. The effective date of the code and related rules are yet to be notified. The impact of the changes, if any, will be assessed and recognised post notification of the relevant provisions.
- 56** Disclosure pursuant to IND AS 103 "business combination"

The Following, a wholly owned subsidiaries, are merged with the Company under a scheme of amalgamation approved by National Company Law Tribunal, Hyderabad on July 22, 2022 and National Company Law Tribunal, Mumbai on June 16, 2022. The merger is effective from the appointed date April 01, 2021.

- | | |
|--|-------------------------------------|
| 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. |

No fresh shares are issued to effect the merger of above wholly owned subsidiaries of the Company. Further the merger is accounted using pooling of interest method, involving the following:

- a. The assets and liabilities of of above wholly owned subsidiaries are reflected at their carrying amounts. No adjustments are made to reflect the fair values, or recognise any new asset or liability.

Notes to Financial Statement for the year ended March 31, 2023

- b. The balance of retained earnings appearing in the financial statements of above wholly owned subsidiaries are aggregated with the corresponding balance appearing in the financial statements of the Company.
- c. The excess of amount of investment by the Company in above wholly owned subsidiaries over the share capital of the respective merged subsidiaries are treated as capital reserve in Company's financial statements and the same is presented separately from other capital reserves under statement of changes in equity.
- d. Restating the financials of the Company from April 01, 2021.

57 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, 2023						
(i) MSME	1.44	1.71	11.17	4.00	20.66	38.98
(ii) Others	8,117.84	626.14	704.72	1,326.83	10,093.52	20,869.06
(iii) Disputed dues — MSME	-	-	-	-	-	-
(iv) Disputed dues - others	0.05	-	1.32	11.33	35.84	48.55
Total	8,119.34	627.85	717.21	1,342.17	10,150.02	20,956.59
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	18,231.61
(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

58 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, 2023.

59 Additional regulatory 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.

Notes to Financial Statement for the year ended March 31, 2023

- 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:
- 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 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:
- 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 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.

60 Key financials ratio

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% Variance	Reason for variance
Current ratio	Total current assets	Total current liabilities	1.39	1.32	5%	
Debt-equity ratio	Total debt	Total equity	0.54	0.85	-36%	Due to robust Company performance, speedy realisation of receivable, monetisation of non-core assests, liquidity has improved. Further right issue has additionally boost the working capital and help us to prepaid the debt obligation
Debt service coverage ratio	Earning before depreciation interest and taxes	Interest +current maturity of LTD payable in current year	1.10	1.28	-14%	
Return on equity ratio	Profit after tax	Total equity	5.44%	2.36%	131%	Due to robust Company performance and operation efficiencies, EBITDA, profit after tax has increased.
Inventory turnover ratio*	NA	NA	NA	NA	NA	NA

Notes to Financial Statement for the year ended March 31, 2023

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% Variance	Reason for variance
Trade receivable turnover ratio	Revenue from operation	Average of opening and closing of current debtors	9.36	8.43	11%	
Trade payable turnover ratio	Cost of materials consumed	Average of opening and closing of current trade payable	1.71	1.78	-4%	
Net capital turnover ratio	Revenue from operation	Working capital (current assets - current liabilities)	2.86	2.85	1%	
Net profit ratio	Profit after tax	Revenue from operation	4.08%	1.83%	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)	13.73%	12.07%	14%	
Return on investment	Profit available to equity shareholder	Total equity	5.45%	2.40%	128%	Due to robust performance of the company and operation efficiencies, net profit for equity shareholder has increased.

**Considering the nature of industry in which company is operating, Inventory turnover ratio is not material.*

61 Previous year's figures have been regrouped, rearranged and reclassified, wherever necessary.

As per our report of even date

For Vatsaraj & Co.

Firm Regn No: 111327W
Chartered Accountants

Dr CA B. K. Vatsaraj

Partner
Membership No. 039894

Place : Mumbai

Date : May 15, 2023

For and on behalf of Board

Rupen Patel

Chairman &
Managing Director
DIN : 00029583

Kavita Shirvaikar

Chief Financial Officer &
Director
DIN : 07737376

Shobha Shetty

Company Secretary
Mem. No.: F10047

Sunil Sapre

Director
DIN : 05356483



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