PATEL ENGINEERING LTD.

CIN: L99999MH1949PLC007039

August 20, 2024

To,

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

Scrip Code No. 531120

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

Company Code No. PATELENG

Dear Sir(s),

Sub – Submission of Annual Report for F.Y. 2023-2024

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 2023-2024.

You are requested to take the same on record.

Thanking you.

For Patel Engineering Ltd.

Shobha Ranjit Shetty
Digitally signed by Shobha Ranjit Shetty
Date: 2024.08.20 16:47:59 +05'30'

Shobha Shetty
Company Secretary
Membership No. F10047

Encl: as above

Patel
Since 1949

Patel Engineering Ltd.

75 Years of Concrete Engineering

DETERMINED TO DELIVER

ANNUAL REPORT
2023-2024

Content

ENGINEERING A BETTER FUTURE

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.

Nation Building

Executing projects of National Importance – Building Solid Foundations for an ever-changing World.

Employment Generation & Community Empowerment

Employment across remote areas (project sites) - Empowering Employees, Building Communities, Together we thrive.

Role in Managing Energy Resources

Ensuring Stable power supply for future generations / meeting power requirements in the country - Sustainable energy for a brighter tomorrow.

Message from our late chairman

Written on May 18, 2024

"75 years of groundwork laid, the future of success awaits"

Dear Shareholders,

As we celebrate the significant milestone of completing 75 years of our Company's existence, with immense pride and gratitude we address you through this annual report. Over the decades, our journey in the realm of infrastructure development, particularly in executing hydropower projects and civil constructions across India, has been one marked by resilience, innovation and unwavering commitment to excellence.

Since our inception, we have been driven by a vision to contribute meaningfully to the nation's progress by harnessing the power of sustainable infrastructure. Today, as we reflect on our journey, we take pride in the transformative impact our projects have had on communities, economies and the environment.

Our Company stands at the forefront of this transformative journey. Since our inception, we have upheld a legacy of excellence, delivering projects that redefine industry standards. From hydropower installations to underground tunnelling works, our commitment to quality and reliability remains unwavering. Our journey has been defined by a steadfast commitment to excellence, driven by the recognition that our actions today shape the world of tomorrow.

As we commemorate this significant milestone, I would like to extend my heartfelt gratitude to our employees, whose hard work, dedication and ingenuity have been the driving force behind our success. Their commitment to excellence, even in the face of adversity, has been instrumental in overcoming challenges and achieving milestones.

I would also like to express my appreciation to our clients, partners and stakeholders for their continued trust and support. It is their collaboration and shared vision that have enabled us to overcome obstacles and achieve remarkable feats in the field of infrastructure development.

India's vision to become a developed nation by 2047 hinges on robust infrastructure development. The government's initiatives to foster a business-friendly environment and streamline regulatory processes are pivotal for the sector's growth. Our company is aligned with India's ambitious target of becoming a developed nation and is poised to take advantage of participating in building of various upcoming infrastructure projects which shall be part of India's steps towards becoming a developed nation, especially the renewable energy targets, which include achieving 50% renewable energy by 2030 and net zero emissions by 2070. Our Company is currently executing civil constructions for hydropower projects in India totalling around 8 GW, representing ~ 45% of current hydropower projects currently under development in India. The 2024 interim Budget allocates significant funds to power sector initiatives, reflecting substantial investment in the country's energy infrastructure. The Ministry of Power has identified 133 GW of total potential for hydro power in India out of which only around 45 GW has been harnessed so far and hence, there is a huge scope in this arena going forward in the upcoming years and our company is geared up to take a substantial part in construction of large hydro power projects which are being developed by Central PSUs in India and Nepal.

Pumped Storage Projects (PSPs) are also coming up in huge way with more than 40 GW of projects being pursued to be commissioned by 2029 - 30 as the same is identified to be essential for addressing the shortfall in the peaking power requirements of the Country. The government has also taken various steps in order to ensure that PSPs get commissioned on a fast track, thereby accelerating the growth of India's renewable energy capacity requirement of which is poised to grow substantially in future as the GDP of the country is expected to grow around 8% p.a. at least for the next decade. Hence, this avenue also brings up a large opportunity for our company to participate and contribute towards development of the nation and also take itself to the next level of growth.

In irrigation, the Ministry of Jal Shakti got the major chunk from this year's budget outlay as Finance Minister Nirmala Sitharaman allocated ₹ 9,84,180 million in the interim budget for 2024-25 with its flagship Jal Jeevan Mission getting a 71% share as well as the Pradhan Mantri Krishi Sinchayee Yojana is aimed to benefit 22 lakh farmers with a ₹ 9,30,680 million outlay. Tunnel construction in India has picked up pace in the last decade due to factors like upgrading the water supply & sewerage system, expanding the road & rail network, apart from the traditional tunnelling for hydro power projects, where maximum tunnels have been built with 875 tunnels spanning 2,600 km in the pipeline. Our company is well-positioned to seize these emerging opportunities.

With such opportunities coming up, we should look forward to more than double the size of our company operations in next 5 years.

"Enhancing Connectivity and Powering Progress with Strategic Infrastructure and Tunnel Breakthroughs."

The past year has been exceptional, marked by several key project milestones:

- **Sela Tunnel Project:** Completed under Project VARTAK of the Border Roads Organization (BRO) and inaugurated by Prime Minister Shri Narendra Modi, this ₹ 6,500 million project exemplifies India's commitment to bolstering border security and regional economic development. I would like to congratulate the entire team who was relentlessly working in harsh weather conditions where temperatures fell below -15 degree Celsius in peak winter months and the movement of man and machinery was a challenging task. The Sela Tunnel is the world's longest bi-lane tunnel in the world at an altitude of over 13,000 ft and it has also been recognized as the highest tunnel in the country by the International Book of Honour, England.
- **Keoti-Antagarh-Taroki New Rail Line Work:** The Company successfully completed the second phase of the project, covering the section from Antagarh to Taroki and received approval from the Commissioner of Railway Safety (CRS) on August 21, 2020. The first phase, from Keoti to Antagarh, was successfully completed and approval was received from CRS on August 21, 2020.
- **Breakthrough at various project sites:** The Company successfully completed the diversion tunnel breakthrough of a total length of 698m at Kwar Hydroelectric project site, while at our Arun-III Hydroelectric project site located in Nepal we completed the Head Race Tunnel (HRT) works between Face – 6 and Face – 7 having a length of 3,513.5m out of 8,670m of the total length of the project. We also achieved a breakthrough at Tunnel T-15 project site located in Jammu & Kashmir where we completed mining works for 4.58 Km out of 6.28 Km of Tunnel T 14 which is part of this project as well as at Tunnel – 7 project site which is being executed for Ircon International Ltd. We achieved a double breakthrough on a single day at face P-1 and P-2 of the project.

These achievements highlight our leadership in delivering impactful infrastructure solutions and reflect our team's dedication to excellence and innovation.

Our financial performance in FY24 has been robust. We reported revenues of ₹ 45,441.08 million, reflecting a 16.78% year-on-year growth. Our operating EBITDA rose to ₹ 6,902.94 million, a 22.92% increase from the previous year. Notably, our net profit surged to ₹ 2,641 million, a remarkable 70.60% year-on-year growth. Basic EPS from continuing operations increased to ₹ 3.64, indicating our commitment to enhancing shareholder value.

In recent years, the Indian government has been actively pursuing measures to bolster the balance sheets of infrastructure companies with introduction of schemes like Vivad-se-Vishwas for settlement of pending disputes related to Government contracts which were under on-going arbitration. Our Company has filed for various settlement amounts under this scheme and in the last year we have realized around ₹ 1,300 million through settlement of arbitration awards. The Company still has arbitration awards of around ₹ 12,000 million as of end of FY 24 and expect to realize further amounts under this scheme in the current financial year as well. With this monetization, the Company looks to reduce the debt burden further and also utilize these proceeds to improve working capital efficiency for on-going and future projects. This includes the International Arbitration Award won by the Company for Mauritius project and we are proud to announce that the Company has received around ₹ 1,500 million in the first quarter of this financial year against this international award.

Also, we have successfully completed fund raising of ₹ 4,000 million through Qualified Institutional Placement (QIP) in Q1 FY 25 which shall further enhance our financial position and hence make us ready to reduce debt further from the current levels of around ₹ 18,855 million and also contribute towards the working capital requirements of the current and upcoming orders.

"A robust ₹ 1,86,630 Million Order Book with a diversified portfolio across hydropower, irrigation, tunnelling and roads."

In FY24, we secured nine new projects amounting to ₹ 40,273 million, which includes projects like the Dibang Multipurpose Project, CIDCO water tunnel project, Narmada Gambhir Multi-village drinking water supply scheme project and Sher Micro-irrigation project along with other projects. Our order book is robust & diverse with 61% comprising hydropower projects, 21% irrigation projects, 11% tunnelling and balance in road and urban infrastructure projects, with an order books size of ₹ 1,86,630 million. With anticipated orders in FY25 and a heightened focus on infrastructure, we are well poised for significant growth. We have also strengthened our equipment fleet to ensure the successful execution of future projects.

Our company has been a trailblazer in technological innovation, being the first Lake Tapping Company in Asia, the first Micro-tunneling Company in India and among the few Indian companies with expertise in constructing RCC Dams having constructed the first RCC Dam in India and then recently building up the tower crane and belt system for pouring concrete to build dams faster and in an eco-friendly way by reducing the consumption of diesel and reducing pollution caused otherwise if using dumpers instead.

"Focused on People, Technology and Sustainability."

Looking ahead, we remain steadfast in our commitment to innovation, sustainability and excellence. As we embark on the next phase of our journey, we are excited about the opportunities that lie ahead and confident in our ability to continue making meaningful contributions to India's infrastructure landscape.

In conclusion, as we celebrate 75 years of our Company's existence, let us not only reflect on our past achievements but also reaffirm our commitment to shaping a better and sustainable future. Together, let us continue building a nation that we can all be proud of and elevate our Company to unprecedented heights with limitless potential and infinite possibilities.

Thank you for your continued support.

Warm regards,

Mr. Rupen Patel

Chairman & Managing Director

75 Years The Journey

Major completed projects in India

Type

Tunnel | Dam | Hydro | Urban Infra | Thermal | Road | Irrigation

1949-60

- Water Tunnel between Vaitarna & Tansa for water augmentation of Bombay City Water Supply
- Konar Dam
- Canada – India Reactor, Atomic Energy of India
- Periyar Hydro Project

1961-70

- Durgapur Steel Plant
- Koyna Stage 1 Hydroelectric Project
- Mettur Project
- Bhira Tunnel Project
- Ranchi Heavy Engineering Project
- Talcher Thermal Power Plant
- Kodayar Hydro Electric Project

1971-80

- Vaitarna Hydro Electric Project
- Koyna Hydro Project - Stage 3
- Srisailam Right Bank Hydro Electric Scheme.
- Upper Kolab & Balimela Project

1981-90

- Baira Siul Hydro Electric Project
- Loktak Hydro Project
- Yamuna Hydel Project
- Centaur Juhu Beach Hotel

75 Years The Journey

Major completed projects in India

Patel Since 1949

Type

Tunnel | Dam | Hydro | Urban Infra | Thermal | Road | Irrigation

1991-2000

- Nagarjunsagar HEP
- Single line B.G.tunnel
- Surat Indoor stadium
- Surat lignite Power Project
- Tons Hydel Project
- Koyna Hydro Electric Project, Stage IV - First Lake Tapping done in India by the Company
- Four Lane Fly-over-Bridge at Surat Ring Road

2001-10

- Single Line B.G. Tunnel No.1, 4 & 5 at Udhampur - katra
- Four Laning of NH - 7 Hathipali Hosur Section
- Teesta H. E. Project Stage V
- Simhadri Thermal Power Project
- Srisailam Left Bank Hydro Electic Scheme
- Greater Shillong Water Supply Scheme
- NH - 8 - Surat Manor Tollway Project (Package - II)
- NH-46 Krishnagiri Vaniyambadi Section (KR-I)
- NH-5 Strengthening of existing 2 lane (Nellore-Kavali)
- RCC Dam - Ghatghar Pumped Storage - 10th Fastest Dam Completion in India at its time.
- SRSP - II and Flood Flow main Canal (Package-I)
- NH-43 and NH-39 Madurai to Kannayakumari Road, (TN)
- Serlui-B Hydro Power Project
- Sewa H.E. Project, Stage-II at Kathua in Jammu & Kashmir
- Jawaharlal Nehru Technology University
- Nagaon Bypass in Assam
- NH-7 Islam Nagar to Kadtal
- Concrete road from Ramwadi Octroi Naka to New P.M.C.

2011-20

- Installation of Sewer lines & Renovation/ Rehabilitation of SWD at various locations in Mumbai
- Tunnel from Veravali to Yari Road
- NH-7 Widening & Strengthening of existing 2 lane Carriageway (Madurai-Kanniyakumari)
- Koyna Hydro Electric Project, Stage IV
- Single line BG tunnel No. 1, 2, 3, 4 , 5, 6 and 7
- Teesta Low Dam H.E. Project, Stage-III
- Rampur H.E. Project - Package - II
- Tuirial Hydro Electric Project Lot-I, Lot-II and Lot III
- Road from Tinthini to Kalmala of SH-61, SH-15
- Kalwakurthy Lift Irrigation Scheme ,Lift -I ,Stage -I
- Priydarshini Jurala Hydro Electric Project
- High Altitude Roads along Indo-China border in Jammu & Kashmir - Package - I and 2
- Jawahar Lift Irrigation Project, Stage 1 and 2
- Single Line BG Tunnel No. T-20, 21 & 22
- Assembly & Ancillary Structures - Mazagon Dock
- Tapovan Vishnugad H.E. Project
- Bhima Lift Irrigation Project, Lift-I
- Koteshwar Hydro Electric Project
- Kameng H.E. Project Package-II and III
- Parallel Lower Ganga Canal (PLGC) (Lot No. 05 and 06).
- Sawra Kuddu Hydro Electric Project

2021-24

- Sawra Kuddu HEP - Earth Mat and Intake
- NH 28 B - Strengthening and Widening of existing of 2 lane in Bihar
- NH-548B Upgradation of Existing Highway from Omerga to Ausa
- Kameng H.E. Project, Arunachal Pradesh, India Package-I
- Improvement of Road from Shrirampur-Vaijapur-Risod-Washim-Pusad-Mahagaon Fulsawangi-Mandvi.
- Tunnel T- 2 on Katra – Banihal Section of Udhampur – Srinagar - Baramulla New BG Railway Line Project (Package T- 2).
- Civil and Hydro-mechanical works for Diversion Dam and Part Head Race Tunnel for Parbati H.E. Project - Lot PB.1
- Sela Tunnel Project

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
- **₹ 1,86,630 Mn** Order book
- **4,500** Employee Strength
- **A-** Credit rating

FY24

₹ 45,441 Mn	₹ 6,903 Mn	₹ 2,641 Mn
Revenue	Operating EBITDA	PAT

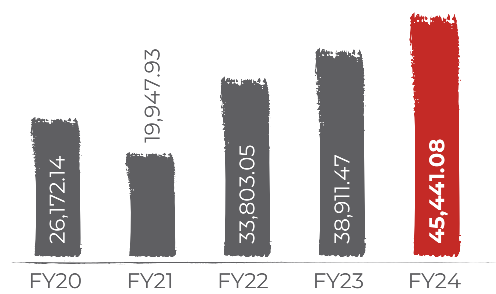
Comparative Financials

(₹ In Million)

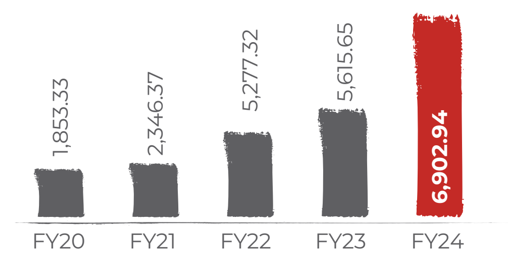
Particular	FY20	FY21	FY22	FY23	FY24
A. FINANCIAL POSITION					
Share Capital	408.17	465.45	479.23	773.62	773.62
Reserve and Surplus	25,061.78	22,730.21	23,357.76	28,105.94	30,762.57
Shareholders Funds	**25,469.95**	**23,195.66**	**23,836.99**	**28,879.56**	**31,536.19**
Minority Interest	330.98	612.90	714.11	878.20	81.10
Loan Funds	22,444.67	22,663.89	22,616.13	17,407.76	18,854.92
Total Funds Employed	**48,245.60**	**46,472.45**	**47,167.23**	**47,165.52**	**50,472.21**
Fixed Assets (Net)	17,480.77	13,611.47	14,631.44	15,255.89	15,515.26
Non-Current Investments	789.75	678.90	816.08	1,354.12	1,554.72
Deferred Tax Assets (Net)	1,174.94	2,002.80	1,973.68	2,073.52	943.91
Net Current Assets & Non Current Assets	28,800.14	30,179.28	29,746.03	28,481.99	32,458.32
Total Application of Funds	**48,245.60**	**46,472.45**	**47,167.23**	**47,165.52**	**50,472.21**
B. OPERATING RESULTS					
Total Income	**27,883.78**	**21,039.28**	**34,965.11**	**40,060.84**	**46,330.16**
Income from operations	26,172.14	19,947.93	33,803.05	38,911.47	45,441.08
Total Operating Expense	24,318.81	17,601.56	28,525.73	33,295.82	38,538.14
Operating EBITDA	1,853.33	2,346.37	5,277.32	5,615.65	6,902.94
Operating EBITDA Margin %	7.08%	11.76%	15.61%	14.43%	15.19%
Profit/(Loss) before tax	547.20	-3,438.12	1,120.18	1,825.67	4,051.12
Profit/(Loss) after tax	111.31	-2,907.47	720.98	1,483.83	3,022.10
Non Controlling Interest	-39.30	-119.85	-98.49	-162.85	-204.47
Net Profit for Owner	44.46	-2,982.04	550.06	1,548.07	2,641.00
Net Profit Margin (%)	0.17%	-14.95%	1.63%	3.98%	5.81%
C. EQUITY SHARE DATA					
Diluted Earning Per Share (Rs.)	0.39	-6.78	1.49	2.03	3.54
Number of Shares	408,178,292	465,453,024	479,230,494	773,617,228	773,617,228

Key Highlights

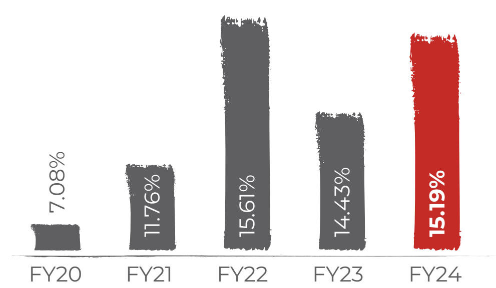
Income from operations (₹ in Million)



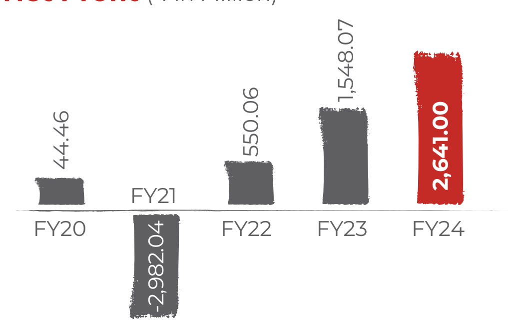
Operating EBITDA (₹ in Million)



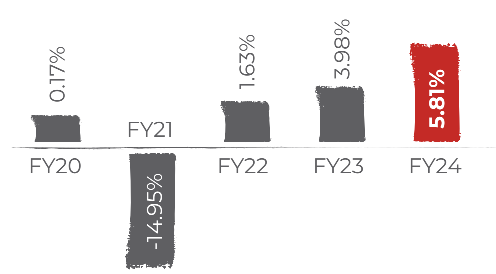
Operating EBITDA Margin % (Margin in %)



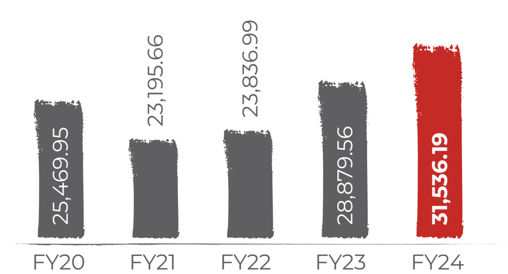
Net Profit (₹ in Million)



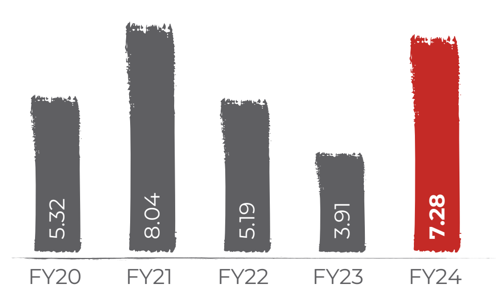
Net Profit Margin % (in Margin %)



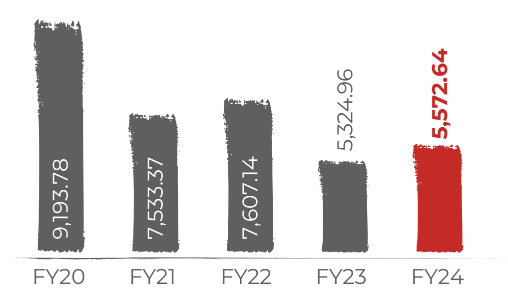
Shareholders Funds (₹ in Million)



EV/EBITDA (In Times)



(Long Term Borrowing)(₹ in Million)



Key Highlights of FY24

Sela Tunnel Project

A Milestone in India's Geopolitical Strategy and Economic Growth

Project Overview

The Company is honored to present the completion of the historic Sela Tunnel Project, a cornerstone of India's efforts to enhance border security and drive regional economic growth. Constructed under Project VARTAK of the Border Roads Organization (BRO), this landmark project was inaugurated by **Prime Minister Shri Narendra Modi**. Valued at ₹ 6,500 Million, the Sela Tunnel Project represents a significant milestone in India's infrastructure development.

Key Project Details

Project Cost & Timeline

Cost
₹ 6,500 Million

Foundation Stone Laid
February 09, 2019

Construction Commenced
April 01, 2019

Completion
March 09, 2024

Project Specification

Main Tunnels
T1 (1003.34 meters) & T2 (1594.38 meters)

Escape Tunnel
1584.38 meters

Access Road
~8.7 kilometers

Engineering Excellence

Techniques Used
New Austrian Tunnelling Method

Safety Systems
Jet fan ventilation, firefighting equipment, and SCADA-controlled monitoring systems

Strategic and Economic Impact

Enhanced Connectivity

Improved Links: Between Tezpur in Assam and Tawang in Arunachal Pradesh.

All-Weather Access: Crucial for troop and equipment movement along the Sino-Indian border.

Economic Development

Year-Round Connectivity: Boosts local economy by ensuring continuous access for Arunachal Pradesh residents.

Regional Growth: Spurs economic activity in previously isolated areas.

Geopolitical Significance

Border Infrastructure Development: Strengthens India's strategic focus on border areas.

Socio-Economic Support: Enhances ties with northeastern states and fortifies India's geopolitical stance.

Overcoming Challenges

A dedicated team of over 50 skilled engineers and 800 workers braved extreme cold temperatures, often dipping below -15°C, to bring this ambitious project to fruition. Their relentless effort and perseverance are a testament to the Company's commitment to nation-building.

BRO's Commitment

The Border Roads Organization has been at the forefront of developing border areas, having completed a record 330 infrastructure projects worth ₹ 87,370 Million in the last three years alone. The Sela Tunnel Project is a shining example of their dedication and efficiency.

The Company is proud to have contributed to this transformative project and remains committed to participating in future initiatives that bolster national security and drive economic development.

Scan Here To Watch Video

Key Highlights of FY24

KWAR Hydroelectric Project

Powering Progress and Prosperity in Jammu and Kashmir

Project Overview

The KWAR Hydroelectric Project is a significant infrastructure endeavor located in District Kishtwar of Jammu and Kashmir. This project is set to play a crucial role in the region's energy production and socio-economic development.

Milestone Achievement

The Company proudly achieved a major milestone by completing the Diversion Tunnel breakthrough, reaching the total length of 698 meters on June 30, 2023.

Impact

The KWAR Hydroelectric Project will not only generate an impressive 1,975.54 million units of electricity annually but also bring substantial socio-economic benefits to the region of Jammu and Kashmir.

This project is set to significantly enhance the local infrastructure, create job opportunities and contribute to the overall growth and development of the area.

Arun-III Hydroelectric Project

Leading the Way in Sustainable Energy Development

Project Overview

The Arun-III Hydroelectric Project is a landmark energy initiative located in Nepal, designed to harness the power of the Arun River. This project is a key component in meeting the region's growing energy demands and promoting sustainable development.

Milestone Achievement

The Company achieved a significant milestone by completing a breakthrough of the Head Race Tunnel at Face-7 and Face-6 on June 30, 2023. This breakthrough covers 3,513.5 meters of the total 8,670-meter Head Race Tunnel, marking a critical step forward in the project's progress.

Impact

The Arun-III Hydroelectric Project is poised to play a vital role in Nepal's energy landscape, providing a reliable source of renewable energy. The successful completion of key project components not only demonstrates technical expertise but also reinforces the commitment to sustainable development and energy security in the region.

Tunnel T-15 Project

Enhancing Rail Connectivity in Jammu & Kashmir

Project Overview

The Tunnel T-15 Project, situated in Jammu & Kashmir, is a crucial component of the Udhampur-Srinagar-Baramulla New BG Railway Line (USBRL) Project. This ambitious infrastructure project aims to enhance connectivity in the region by constructing critical tunnel sections and a major bridge.

Milestone Achievement

On April 4, 2023, the USBRL Project celebrated a significant milestone with the breakthrough of Tunnel T-14 MT, which spans a length of 6.284 kilometers. The Company has successfully completed 4.58 kilometers of mining out of the total 6.284 kilometers of Tunnel T-14, marking substantial progress in this challenging engineering endeavor.

Impact

The Tunnel T-15 Project is poised to significantly enhance rail connectivity in Jammu & Kashmir, providing a more efficient and reliable transportation link in the region. The completion of these critical infrastructure components will contribute to the socio-economic development of the area, facilitating easier movement of people and goods and fostering regional growth.

Tunnel-7 (SRP)

A New Benchmark in Indian Railways' Infrastructure Development

Project Overview

The Tunnel-7 (SRP) project by Indian Railways achieved a major milestone on March 30, 2024, with a double breakthrough. This project includes the construction of an underground station cavern. It represents the first underground station cavern for Indian Railways.

Milestone Achievement

On March 30, 2024, Indian Railways celebrated a significant milestone with the successful double breakthrough at Tunnel-7 (SRP). This achievement is a testament to the dedication and expertise of the entire Tunnel-7 Project team.

Impact

The successful completion of Tunnel-7 underscores Indian Railways' commitment to innovative engineering and infrastructure development. This project not only enhances rail connectivity but also sets a new benchmark in tunnel construction.

Key Highlights of FY24

Connecting Communities: Keoti-Antagarh-Taroki Rail Line's Impact on Local Development

The Keoti - Antagarh - Taroki New Rail Line project, managed by RVNL Raipur, aims to enhanced rail connectivity in the region. Initiated in July 2016, the project is divided into two main sections.

This Rail line passes through dense forest and the entire stretch is under the core Naxalite belt of Bastar Division. Being a National Importance Category Project, hence dedicated security cover was provided by the government.

Key Features

Keoti to Antagarh: 42.6 Km to 59.86 Km

Antagarh to Taroki: 59.86 Km to 77.26 Km

Milestone Achievement

First Phase:
Keoti to Antagarh
Completion: August 21, 2020
CRS Approval: Received

Second Phase:
Antagarh to Taroki
Completion: August 24, 2023
CRS Approval: Received

Impact

This project significantly improves regional rail connectivity, facilitating efficient travel and boosting local economic activities.

Awards and Accolades

India CFO Awards 2024 - 4th Edition
Best Finance Team of the year

Dalal Street Investment Journal
Best Women CFO - 2023

CSO 100 Awards & Symposium
The Resilient 100 Honouree 2024

Construction World Global Awards 2023
India's Top Challenger

Star of the Industry Awards
Best CFO of the year

India CFO Awards 2024 - 4th Edition
Best CFO Infrastructure

CXO Security Excellence Award
Global Security Awards 2024

World HRD Congress
Most Iconic HR leader Award

Order Book

₹ 1,86,630 Mn

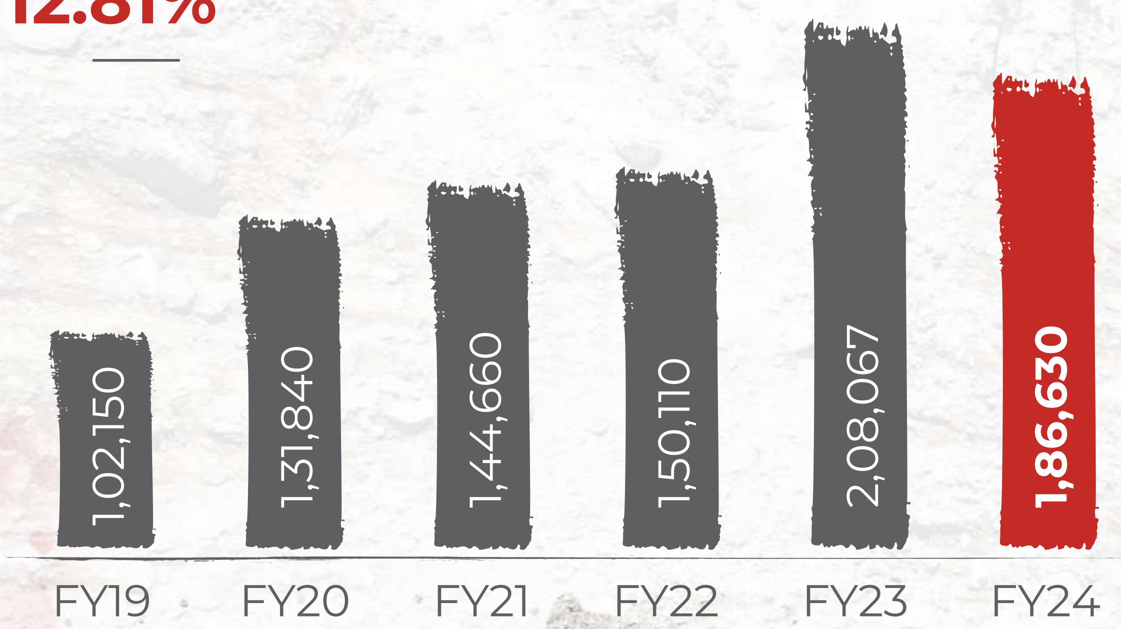
As on March 31, 2024

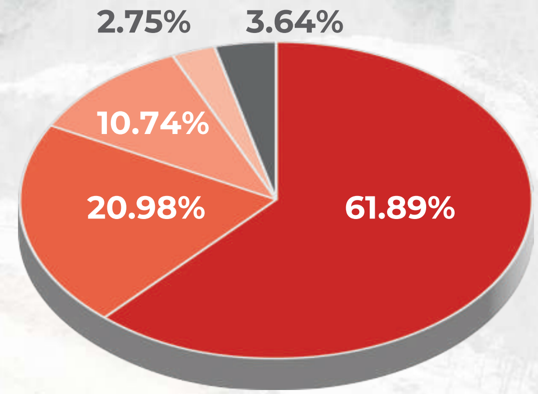
Projects: **49**

Yearly (₹ in Mn)

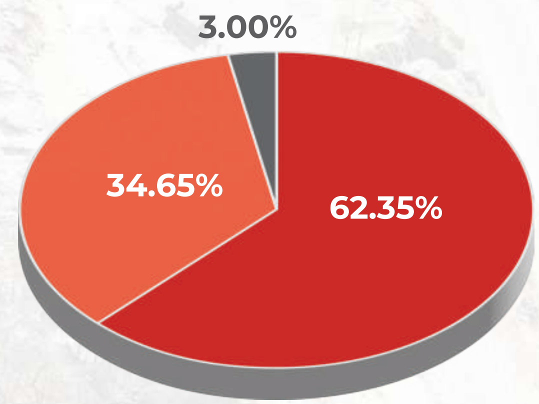
5 Year CAGR

12.81%

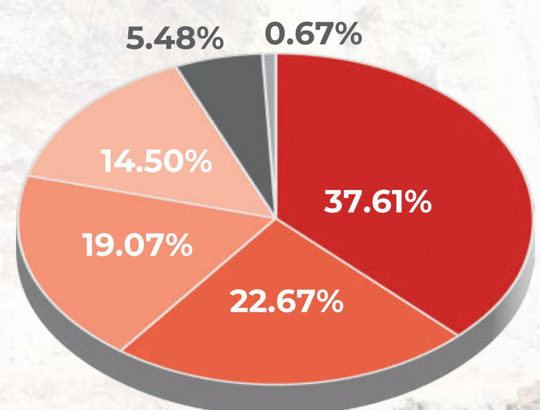




Segment Wise Order Book		
Segment	**No. of Projects**	**Order Book Value (₹ in Million)**
Hydroelectric	15	1,15,506
Irrigation	18	39,156
Tunnel	6	20,049
Road	5	5,132
Others	5	6,787
Total	**49**	**1,86,630**



Client Wise Order Book		
Segment	**No. of Projects**	**Order Book Value (₹ in Million)**
Central Government / PSU's	17	1,16,355
State Government Departments	30	64,672
International	2	5,603
Total	**49**	**1,86,630**



Project Completion Wise Order book		
Segment	**No. of Projects**	**Order Book Value (₹ in Million)**
Below 10%	12	70,188
10% - 30%	5	42,317
30% - 50%	11	35,590
50% - 70%	11	27,059
70% - 90%	4	10,230
90% - 100%	6	1,246
Total	**49**	**1,86,630**

Patel Since 1949

Ongoing Projects

Domestic (₹ in Million)

Sr. No.	State	No. of Projects	Project Value
1	Jammu and Kashmir	7	55,668
2	Madhya Pradesh	9	29,573
3	Maharashtra	13	21,298
4	Himachal Pradesh	3	19,173
5	Arunachal Pradesh	2	18,256
6	Sikkim	1	11,070
7	Assam and Arunachal Pradesh	1	5,578
8	Karnataka	3	4,497
9	Nagaland	1	3,873
10	West Bengal & Sikkim	1	3,103
11	Tamil Nadu	2	2,816
12	Telangana	1	2,627
13	Rajasthan	1	2,120
14	Bihar	1	791
15	Chhattisgarh	1	584
	Total	**47**	**1,81,028**

International

Sr. No.	State	No. of Projects	Project Value
1	Nepal	2	5,602

Hydro Power Projects

The Company has extensive experience in the construction of hydroelectric projects across the country, ranging from 3 MW to more than 2,800 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.

Dams

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

Our portfolio is adorned by challenging dams such as Serlui earthen dam, Ghatghar (which ranks among the first three RCC dams in India and 40 RCC dams across the globe).

Power House

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. The Company has successfully completed all three types of power house for hydroelectric projects in India.

Underground Works

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. The Company success in such type of projects is a result of the expertise it has developed in over 7 decades of experience.

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

Involved in construction of more than **87** Dams

Involved in Generation of more than **15,000** MW Hydropower

Drilled Shafts in all shapes and sizes over **4,000** meters

Lower Subansiri HEP, Arunachal Pradesh

Subansiri HEP is one of the largest hydroelectric power project in India, with the capacity of 2,000 MW

Hydro Power Projects

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 the Company, we see these obstacles as opportunities. Our can-do attitude has helped us successfully execute numerous prominent power projects in spite of these hindrances.

Currently in India ~ 18,000 MW of Hydropower projects are under execution out of which the Company is involved in Construction of ~ 8,000 MW.

Large Hydro Power Projects Currently Under Execution

Project	Capacity
Dibang Multipurpose	(2,880 MW)
Subansiri HEP	(2,000 MW)
Kiru HEP	(624 MW)
Kwar HEP	(540 MW)
Teesta VI HEP	(500 MW)
Shongtong HEP	(450 MW)
Luhri HEP	(210 MW)

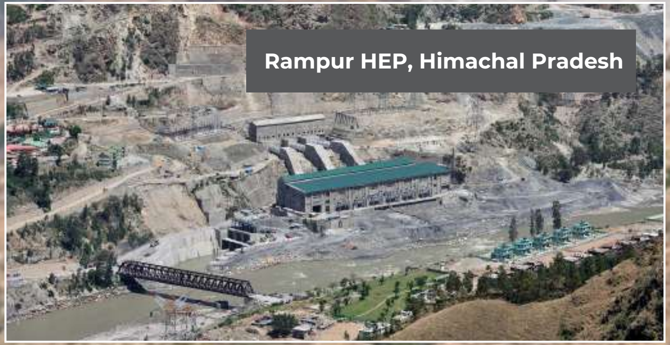

Kundah HEP, Tamil Nadu

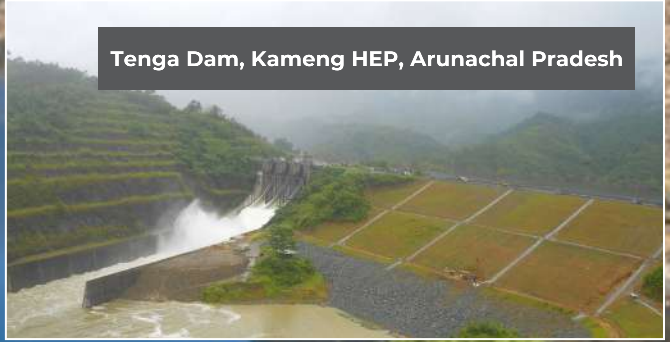

Arun - III HEP, Nepal

Total Installed Hydro Power capacity in India stands at

~46,000

MWs


Rampur HEP, Himachal Pradesh


Tenga Dam, Kameng HEP, Arunachal Pradesh

Major projects completed by Patel Engineering

No.	Project Name	Capacity MW
1	Koyna Hydro Electric Project Stage 1 ; 2; 3 and 4	1,880
2	Srisailam Right Bank and Left Bank Hydro Power Station	1,670
3	Parbati H.E.Project, Stage-II and III	1,320
4	Kameng H.E. Project Package-I, II & III	600
5	Tapovan Vishnugad H.E. Project, Powerhouse Package	520
6	Teesta Hydro Electro Project Stage V	510
7	Balimela Hydro Electric Project	480
8	Rampur H.E. Project	412
9	Koteshwar H.E. Project	400
10	Tons Hydro Electric Project	375

Tunneling

Tunneling projects range from road and rail tunnels to utility and water conveyance tunnels, each requiring meticulous planning and execution to ensure structural integrity and safety.

Tunneling requires specialized competencies and our Company has the engineering capabilities for executing such projects. The company has replaced conventional tunneling methods using state-of-the-art technology and sophisticated equipment such as Tunnel Boring Machines (TBMs) and adopted modern methods like New Austruan Tunelling Method (NATM), which plays pivotal roles in accelerating construction while minimizing environmental impact.

Drilled over
300
kms of Tunnels


Tunnel T-2, Jammu & Kashmir


Tunnel T-15, Jammu & Kashmir


AMT- II Tunnel, Maharashtra

Recognized in the International Book of Honor, The Company accomplishment in constructing India's highest tunnel, the Sela Tunnel, at 13,000 feet.

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 13,000 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.

Constructed more than
1,200
kms Roads

High Altitude Roads, Jammu & Kashmir

RVNL KTR, Maharashtra

Sela Road , Arunachal Pradesh

Irrigation & Water Supply

Irrigation and water supply is one of the major contributing factors in the development of any nation's economy.

Irrigation projects encompass a wide range of initiatives, from constructing dams and reservoirs to developing irrigation canals, micro and drip irrigation systems. These projects aim to optimize water usage, improve crop yields and mitigate the impact of climate variability on agricultural productivity.

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

Sleemanabad, Madhya Pradesh

One of the Largest Diameter TBM used for irrigation project

Land Irrigated Over

5.5 Lakh

acres

The Government of India has restructured and incorporated the ongoing National Rural Drinking Water Programme (NRDWP) into the Jal Jeevan Mission to achieve its goal of Har Ghar Nal Se Jal (HGNSJ).

The Ministry of Jal Shakti received the largest portion of the 2024-25 interim budget, with Finance Minister Nirmala Sitharaman allocating ₹ 9,84,180 million. Of this, the Jal Jeevan Mission (JJM) was granted 71 percent.

Ongoing Irrigation Projects

- Sleemanabad Irrigation Project
- Jiagoan Lift Irrigation Project
- Parbati Irrigation Project
- Morand & Ganjal Dams Micro-Irrigation Project
- Nira Deoghar Right Bank Main Canal – 2 Packages
- Tumkur Branch Canal – Package 1, 3 and 5
- Rihand Micro Irrigation Project
- Krishna Marathwada Irrigation Project – Scheme 1 and 2
- Sher Irrigation Project

Urban Infrastructure

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.

Smondo Gachibowli, Telangana

Mantalai Tourist Facility Centre,Jammu & Kashmir

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. The Company too has its participation in this model of infrastructure development.

AP-07, Andhra Pradesh:

SPV Name: Patel KNR Heavy Infrastructures Limited (PKHIL)

The Company Stake in SPV: 42%

Project Awarded By: NHAI

Project Details: Design, construction, development, operation and maintenance of Islam Nagar (km 230) to Kadthal (km 278) of the Nagpur Hyderabad section on NH-7 in Andhra Pradesh, on BOT semi-annual annuity basis.

Revenue: Fixed Semi-annuity of ₹ 443.7 million.

Concession Period: The Concession Agreement was signed in Sept 2008 with the concession period of 20 years including 2 years implementation period.

Commencement Date: June 2010.

KNT-01, Karnataka:

SPV Name: Patel KNR Infrastructure Limited (PKIL)

The Company Stake in SPV: 60%

Project Awarded By: NHAI

Project Details: Development and operation of the annuity road asset of approx. 60.4 km four lane road between Karnataka border and Avathi Village on BOT semi-annuity basis.

Revenue: Fixed Semi-annuity of ₹ 329.4 million.

Concession Period: The Concession Agreement was signed in Sept 2008 with the concession period of 20 years including 2 years implementation period.

Commencement Date: Dec 2009.

Varanasi – Shaktinagar, Uttar Pradesh:

SPV Name: ACP Tollways Private Limited (ATPL)

The Company Stake in SPV: 32%

Project Awarded By: Uttar Pradesh State Highway Authority (UPSHA)

Project Details: Four and six laning of Varanasi-Shaktinagar road from Narayanpur to Hathinala section in Uttar Pradesh (SH-05A) from 0.00 Km to 115 Km on Design, Build, Finance, Operate and Transfer (DBFOT) basis.

Revenue: Based on Toll Collection from vehicle movement. Toll revenue has increased by 15%-20% due to consistent traffic growth, leading to higher DSCR levels consistently above 1.10x.

Concession Period: The concession period is 20 years (including construction period of 900 days) from the appointed dated i.e. February 05, 2013.

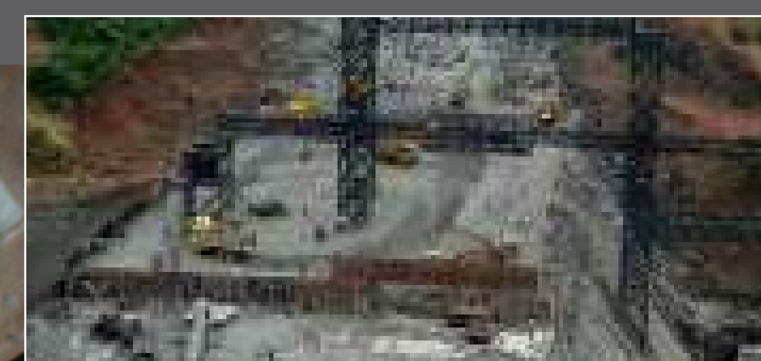
Commencement Date: October 2015.

Advanced Technologies For Our Operating Segments

We leverage a diverse range of cutting-edge technologies to effectively manage our projects. These include mass block blasting, roller compacted concrete, microtunnelling, horizontal directional drilling, double lake tap, the New Austrian Tunnelling Method (NATM), finite element method (FEM) 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.



Advanced Technologies For Our Operating Segments

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.

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 Tunnel 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.

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.

Board Of Directors

Ms. Janky Patel
Chairperson and Additional Non-Executive Director

Janky Patel, appointed as non-Executive non-Independent Director, designated as Chairperson of the Company is a graduate from University of Mumbai. She has taken the responsibility by stepping into the shoe of Chairperson to continue the legacy of excellence of late Mr. Rupen Patel. She shall closely work with the talented and professional Management team to drive the Company forward in its best interest and interest of its stakeholders.

Ms. Kavita Shirvaikar
Managing Director

Experience: 26+ Years

Mrs. Kavita Shirvaikar, a Chartered Accountant and ICWAI graduate with over 26 years of experience in the Infrastructure sector and over a decade-long tenure with the Company, she has been instrumental in key strategic decisions of the Company and has implemented key systems and processes, leading major projects and establishing strong client relationships.

Mr. Kishan Lal Daga
Whole Time Director

Experience: 50+ Years

Mr. Daga brings with him a wealth of experience in the construction Industry and has been involved in business development activities both domestically and internationally and is proficient in managing contractual affairs and providing oversight on legal matters.

Mr. Dimitrius D'Mello
Whole Time Director

Experience: 38+ Years

Mr. Dimitrius D'Mello, a senior professional in the Infrastructure and Real Estate Industry including international experience has an extensive working knowledge of Operations, International tie-ups, Cost Control, Contracts Management and Supply Chain Management including procurement, subcontracting, Logistics and Inventory Management

Mr. K. Ramasubramanian
Independent Director

Experience: 57+ Years

Mr. K. Ramasubramanian , a retired General Manager from Reserve Bank of India (RBI) brings with him a wealth of experience. His fields of specialization 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.

Dr. Sunanda Rajendran
Independent Director

Experience: 41+ Years

Dr Sunanda. Rajendran is the founder Director of the Indo Arab Chamber of commerce & Industry which is India's largest, oldest and apex Business Chamber which has around 80,000 MSME sector companies. She is a highly accomplished professional with a rich experience in doing laisioning with Govt /non governments, Private sectors and has played the role of international trade collaborator, besides having expertise in handling the Export /Import, Trading & Finance activities and resolving the issues of International Arbitration Business management.

Mr. Ashwin Parmar
Independent Director

Experience: 31+ 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.

Mr. Shambhu Singh
Independent Director

Experience: 36+ Years

Mr. Shambhu Singh is a retired I.A.S officer with a Master's degree in 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.

Dr. Emandi Sankara Rao
Independent Director

Experience: 35+ Years

Mr. Rao is a Ph. D (IIT Bom – Mgmnt&Finance), PGDBA (Mgmt.), M. Tech (IIT Kgp- Systems Reliability), B.E(Elec Engg), MIE, C Engg. He has vast Management & Engineering experience & expertise in Infrastructure Industry, Banking & Finance and Institutional Development.

Empowering Communities

CSR initiatives

Our company is dedicated to empowering local communities through various CSR activities at our project sites. Here are some key initiatives undertaken:

Disaster Relief: Provided aid to victims of heavy rainfall in Himachal Pradesh's Kullu District.

Infrastructure Development: Enhanced educational facilities in local villages.

Medical Support: Supplied essential commodities to medical dispensaries.

Ambulance Service: Provided for local villagers to ensure timely medical assistance.

Bus Service: Provided for local villagers in areas where there is lack of transportation for safe commutation throughout the day.

Empowering Growth

Strengthening manpower, expanding equipment and advancing technology.

Employee Details

Total number of permanent employees as on March 31, 2024 : 4,580 (up from 2,130 in FY21)

Total number of other than permanent employees as on March 31, 2024 : 7,934

Total employment provided as on March 31, 2024 : 12,514

Technological Implementation

We have successfully implemented SAP across all our project sites to streamline operations and enhance productivity.

Robust Infrastructure and State-of-the-Art Equipment

Equipment Base as on FY24: ₹ 10,959 Million (up from ₹ 7,986 Million in FY21)

Achievements and Recognitions

We received recognition for safe man-hours at our Subansiri and Arun-III project sites.

Training Programs

In FY24, we conducted 4,129 training sessions for our employees. The topics covered included:

- ☑ Safety Induction Training
- ☑ Behavior-Based Safety
- ☑ Work at Height Safety
- ☑ Basic First Aid & CPR
- ☑ Good Housekeeping Practices
- ☑ Emergency Response Plan
- ☑ Basic Firefighting Procedures
- ☑ Waste Management

Employee Engagement and Team Building Activities

We organized various activities to enhance employee engagement and team spirit:

- ☑ Bowling Event: A fun-filled bowling event was organized for employees.
- ☑ Cricket Tournament: A cricket tournament to foster teamwork and sportsmanship.
- ☑ Yoga Training Workshop: Conducted in the office to improve employees' health and well-being.
- ☑ Engineer's Day Celebration: Included a Q&A session and team-building exercises.

Management Discussion and Analysis

Global Economic Outlook

Global Economy in 2024: Resilient Growth, Declining Inflation and Infrastructure-Driven Stability

The global economic outlook for 2024 is characterized by steady but slow growth, resilience amid divergence and a gradual decline in inflation.

The world economy is projected to grow at a rate of 3.2% in 2024 and 2025, maintaining the same pace as observed in 2023. However, growth patterns vary across regions. Advanced economies are expected to see a slight increase in growth, with rates rising from 1.6% in 2023 to 1.7% in 2024 and 1.8% in 2025. On the other hand, emerging market and developing economies are anticipated to experience a modest deceleration, with growth rates declining from 4.3% in 2023 to 4.2% in both 2024 and 2025.

Global inflation is anticipated to steadily decline, from 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025. Advanced economies are expected to achieve their inflation targets sooner than emerging market and developing economies. Core inflation is generally projected to decrease at a more gradual pace. The global construction output is expected to grow by 2% in 2024, up 3.7% in 2023. Growth in advanced economies is predicted to be 1.8%, while building activity in emerging markets will likely increase by 2.2%.

Emerging markets have maintained robust capital flows and market access, with the US economy surpassing its pre-pandemic trend due to strong employment growth. Increased labour force participation, especially among women and immigrants, has boosted labour supply in advanced economies.

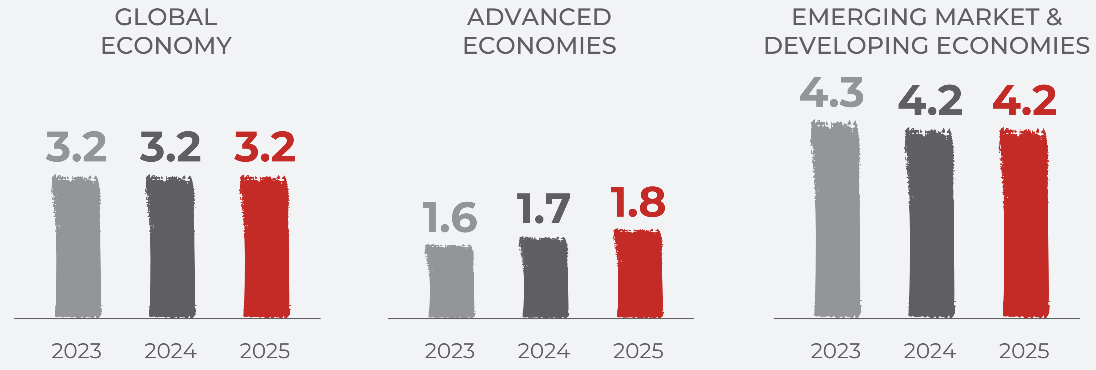
Infrastructure investment has been key to economic resilience, enhancing productivity, efficiency and supply chains while reducing costs. These investments have created jobs, lowered unemployment and attracted foreign direct investment. They also promote social and economic inclusion and support the transition to sustainable energy sources, improving climate resilience and reducing environmental impacts.

There's a growing emphasis on sustainable infrastructure, including renewable energy projects, green buildings and resilient infrastructure to mitigate climate change impacts. The adoption of new technologies such as digitalization, IoT (Internet of Things) and AI (Artificial Intelligence) is transforming the infrastructure sector, improving efficiency and creating new opportunities.

WORLD ECONOMIC OUTLOOK APRIL 2024

GROWTH PROJECTIONS

(REAL GDP GROWTH, PERCENT CHANGE)



Indian Economic Outlook

India's Economic Prospects Strengthen with Upgraded Growth Projections staying the fastest – growing large economy.

India's GDP surged by 7.6% in fiscal 2024, exceeding expectations. This growth was driven by strong private investment and resilient domestic demand, despite global challenges. For the fiscal years 2024-25, 2025-26 and 2026-27, S&P projected growth rates of 6.8%, 6.9% and 7%, respectively. Looking ahead, over the next seven fiscals (2025-2031), India is projected to become the third-largest economy, crossing the $5 trillion mark and approaching $7 trillion, with an average growth of 6.7%.

The Indian government continues to prioritize infrastructure development as a cornerstone of economic growth. Initiatives such as the National Infrastructure Pipeline (NIP) aim to boost investment across sectors including energy, transportation, water and urban infrastructure.

Specific areas such as renewable energy, transportation (including metro rail and highways), smart cities and digital infrastructure are expected to see significant growth. These sectors align with India's goals of sustainability, urbanization and digital connectivity.

Continued government support through policy reforms, incentives and infrastructure spending commitments provides a stable framework for industry growth. The focus remains on creating robust infrastructure networks that support economic expansion and improve quality of life.

A third term for the BJP government would likely ensure continuity in existing infrastructure policies and initiatives providing stability for ongoing projects and planned investments, showcasing a vision of continued development and prosperity for India.

Source:

https://www2.deloitte.com/us/en/insights/economy/asia-pacific/india-economic-outlook.html

https://www.crisil.com/en/home/our-analysis/reports/2024/03/india-outlook-2024-report/growth-marathon.html

Union Budget Highlights for Infrastructure Sector

2024-25 Budget: Infrastructure Spending Soars to ₹ 11.11 trillion.

The Budget 2024-25 increases infrastructure investment by 11.1% to ₹ 11.11 trillion (US$ 133.86 billion), 3.4% of GDP. This move comes after a notable 33% increase last year, underscoring the government's dedication to extensive infrastructure development. This consistent rise over the past four years has been a key driver of economic growth, with infrastructure spending acting as a catalyst for job creation and private investment. After securing a clear win in the recent Lok Sabha elections, the current government is yet again prioritizing economic expansion and the generation of employment opportunities. FDI in construction and infrastructure reached US$ 26.54 billion and US$ 33.52 billion, respectively, from April 2000 to December 2023. The Budget 2023-24 extended the 50-year interest-free loan to states with an outlay of ₹ 15,00,000 million (US$ 18 billion).

Under the National Infrastructure Pipeline, projects worth ₹ 108 trillion (US$ 1.3 trillion) are in progress. Key initiatives include three major railway corridors under PM Gati Shakti to improve logistics. Significant improvements include expanding highways, ports, electrified rail routes, aircraft movement and airports.

The government is also developing new airports under the UDAN scheme and promoting urban transformation through metro projects and the NaMo Bharat initiative to drive economic growth and improve citizens' quality of life.

Source:

https://www.ibef.org/industry/infrastructure-sector-india

https://www.indiabudget.gov.in/

https://www.businesstoday.in/magazine/deep-dive/story/modi-30-can-the-new-govt-continue-with-its-10-year-effort-to-boost-indias-infrastructure-434491-2024-06-24

https://www.thehindu.com/business/Economy/states-seek-improvements-in-50-year-interest-free-loan-scheme/article68320330.ece

Industry Overview and Outlook:

Hydropower

India's Hydropower Surge: Paving the Way for a Sustainable Energy Future

Hydropower remains the largest single source of renewable energy, crucial for meeting net zero emissions targets. To meet net zero targets, globally the hydropower sector needs to increase its capacity growth rate significantly, requiring a growth rate of over 26 GW per year until 2030.

Installed Generation Capacity (Fuelwise) as on 31.05.2024 :

	Category		Installed Generation Capacity (GW)	% Share in Total
Fossil Fuel	**Coal**		**210.97**	**47.40%**
Fossil Fuel	**Lignite**		**6.62**	**1.50%**
Fossil Fuel	**Gas**		**24.818**	**5.60%**
Fossil Fuel	**Diesel**		**0.589**	**0.10%**
Fossil Fuel	**Total Fossil Fuel**		**242.997**	**54.60%**
Non-Fossil Fuel	**RES (Incl. Hydro)**		**193.58**	**43.50%**
Non-Fossil Fuel	**Hydro**	**46.928**		**10.60%**
Non-Fossil Fuel	**Wind, Solar & Other RE**	**146.652**		**33.00%**
Non-Fossil Fuel	Wind	46.422		10.40%
Non-Fossil Fuel	Solar	84.277		18.90%
Non-Fossil Fuel	BM Power/Cogen.	10.355		2.30%
Non-Fossil Fuel	Waste to Energy	0.591		0.10%
Non-Fossil Fuel	Small Hydro Power	5.005		1.10%
Non-Fossil Fuel	**Nuclear**		**8.18**	**1.80%**
Non-Fossil Fuel	**Total Non-Fossil Fuel**		**201.76**	**45.40%**
	Total Installed Capacity (Fossil & Non-Fossil Fuel)		**444.757**	**100%**

India aims to reduce emissions intensity by 45% from 2005 levels by 2030 and achieve 50% of installed electric power capacity from non-fossil fuels by the same year. As of May 2024, India's installed renewable energy capacity, excluding large hydro, is ~ 146 GW, growing at a CAGR of around 15% since 2015. The focus on developing both large and small hydro projects, along with PSPs, will help balance the grid and support more renewable energy integration.

Hydropower in India is a key component of the country's energy mix, ranking as the third-largest source of electricity and accounting for ~ 11% of the total installed capacity. It follows coal (47%) and other renewable sources i.e. wind, solar and other renewable sources (~33%). Currently, India's installed hydropower capacity is ~ 46 GW. Accordingly, to meet the country's energy demand at a faster pace and achieve the targeted 500 GW of renewable energy, there needs to be an increased focus on hydropower generation. As a result, the development of mega hydro projects is essential.

Furthermore, the hydropower capacity is expected to grow at a CAGR of 6.3% from FY23 to FY27, reaching 59.8 GW by FY27. While in FY32, the installed capacity is expected to reach 88.8 GW. This includes ongoing projects totaling ~ 18 GW and others in various stages of development.

Hydropower is crucial in India's energy transition, especially since solar power generation doesn't align with peak demand times. Developing hydropower projects, despite natural and logistical challenges, is essential for providing peaking support and ensuring grid resilience. Pumped storage hydropower, which provides over 90% of global energy storage, is vital for balancing intermittent renewable energy sources. Pumped Storage Projects (PSPs) are also being developed to enhance grid stability and provide balancing power. Presently, PSPs with a capacity of 2.7 GW are under construction, with a target of 55 GW by 2031-32.

Despite a positive outlook, hydropower generation faced challenges in FY23-24 due to natural disasters. Flash floods in Himachal Pradesh (July 2023) and the Eastern region (October 2023) disrupted many power stations. However, the predicted good monsoon for FY24-25 by IMD suggests potential reservoir replenishment, which could reverse the lower generation trend seen last year. The Indian Meteorological Department forecasts higher rainfall for the current financial year, which, combined with snowmelt in the Himalayan region, is expected to boost hydropower generation.

Some of the large Hydropower projects which are currently under various stages of development including survey and investigation and under clearance from CEA which are expected to come up for bidding in the coming few years are as under:

Name of the Project	Location	Total Capacity (MW)
Etalin HEP – Awaiting Clearance	Arunachal Pradesh	3,097 MW
Dibang Multipurpose Project - Dam Package - Tender in Process	Arunachal Pradesh	2,880 MW
Sawalkot HEP – Awaiting Clearance	Jammu & Kashmir	1,856 MW
Kamala HEP – Under S&I Stage	Arunachal Pradesh	1,720 MW
Subansiri Upper HEP – Under S&I Stage	Arunachal Pradesh	1,605 MW
Kirthai HEP – II – Awaiting Clearance	Jammu & Kashmir	930 MW
Jangi Thopan Powari HEP – Under S&I Stage	Himachal Pradesh	804 MW
Attunli HEP – Awaiting Clearance	Arunachal Pradesh	680 MW
Lower Arun HEP – Awaiting Clearance	Nepal	669 MW
Teesta - IV HEP – Awaiting Clearance	Sikkim	520 MW
Dugar HEP – Awaiting Clearance	Himachal Pradesh	500 MW

Overview of Pumped Storage Projects (PSP):

Pumped hydro storage is where water is pumped uphill into a reservoir and released to power turbines when needed. They play an important part in meeting peak power requirements and maintaining system stability in the power system. The pumped storage technology is a long-term technically proven, cost-effective, highly efficient and flexible way of energy storage at a large scale.

There are already 4,745.6 MW of PSPs installed in the nation and another 1,500 MW of capacity is being built.

The PSP potential in India has been identified as 96,529 MW as per the Central Electricity Authority. The Western region has the highest PSP potential of 37,845 MW. The following projects are under construction as of December 2023:

S. No.	Name of Project	State	River Basin	IC (MW)	Tentative year of Commissioning
1	Tehri PSS	Uttarakhand	Ganga	1,000	2024-25
2	Pinnapuram	Andhra Pradesh	Pennar	1,200	2024-25
3	Kundah PSP Ph-I, II & III	Tamil Nadu	Cauvery	500	2024-25
4	Koyna Left Bank*	Maharashtra	Krishna	80	2027-28
Total				**2,780**	

Source: PIB

*Note: Construction activities at Koyna Left Bank are currently stalled.

To achieve the Government of India's commitment of 500 GW of installed capacity from non-fossil fuel sources by 2030, become energy independent by 2047 and achieve net zero emissions by 2070, hydro-pumped storage projects are necessary. Accordingly, 39 Hydro PSPs of 47 GW are being pursued to be commissioned by 2029-30.

Various steps have been taken by the government in order to ensure that Pumped Storage Projects (PSPs) get commissioned on a fast track for accelerating the growth of the renewable energy sector of India.

Some of the large Pumped Storage projects which are currently under various stages of development including survey and investigation and under clearance from CEA which are expected to come up for bidding in the coming few years are as under:

Name of the Project	Location	Total Capacity (MW)
Savitri Pumped storage project	Maharashtra	1,800 MW
Kalu Pumped storage project	Maharashtra	1,150 MW
Indirasagar - Omkareshwar Pumped storage project (On stream)	Madhya Pradesh	640 MW
Kengadi Pumped storage project	Maharashtra	600 MW
Pumped Storage Projects located in Thenmalai, Alleri and Aliyar	Tamil Nadu	4,900 MW
Koyabestagudem Pump Storage Project	Telangana	850 MW
Nacharam Pump Storage Project	Telangana	500 MW
Shirawata Pump Storage Project	Maharashtra	1,800 MW
Bhivpuri Pump Storage Project	Maharashtra	1,000 MW
Pane (Raigarh) Pump Storage Project	Maharashtra	960 MW

Source:

https://powermin.gov.in/en/content/overview

https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2017271

https://powermin.gov.in/sites/default/files/uploads/power_sector_at_glance_May_2024.pdf

Irrigation

The Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), initiated on 1st July 2015 under the slogan "Har Khet Ko Paani," aims to expand cultivated areas with assured irrigation, enhance water use efficiency and minimize water wastage. It emphasizes the development of irrigation sources and the effective management of rainwater at the grassroots level through initiatives like "Jal Sanchay" and "Jal Sinchan," promoting micro irrigation to boost crop productivity. The Government of India has sanctioned the implementation of PMKSY for the period 2021-26 with a total outlay of ₹ 9,30,686 million, including central assistance of ₹ 3,74,540 million. The goals of PMKSY encompass consolidating investments in irrigation, increasing access to water for agricultural purposes, enhancing water use efficiency, advocating precision irrigation technologies, and facilitating holistic development of rainfed regions.

In addition to PMKSY, the government has launched the Jal Jeevan Mission, which aims to ensure safe and sufficient drinking water through tap connections to every rural household. The mission underscores the sustainability of water sources, conservation efforts and active community involvement. States and Union Territories have outlined their priorities, including managing grey water, enhancing Panchayat capacities, improving water service delivery and implementing multi-village schemes. These initiatives are geared towards addressing water challenges and ensuring access to clean water for every household under the motto "Har Ghar Jal."

The Jal Jeevan Mission and PMKSY are crucial components of India's initiatives aimed at advancing water resource management, enhancing irrigation capabilities and ensuring access to safe drinking water. These efforts contribute significantly to promoting sustainable agricultural practices and fostering rural development.

The Ministry of Jal Shakti got a major chunk from this year's interim budget outlay as Finance Minister Nirmala Sitharaman allocated ₹ 9,84,180 million in the interim budget for 2024-25 with its flagship Jal Jeevan Mission getting a 71% share.

Moreover, the Government of India has identified priority links under the National Perspective Plan (NPP). Whereas 30 identified interlink projects are already under various stages of project preparation as of 2023. River interlinking will lead to increased overall area under the irrigation, domestic and industrial water supply. Thus, government support is evaluated to substantially contribute to India's irrigation sector growth.

Source:

https://www.india.gov.in/spotlight/pradhan-mantri-krishi-sinchayee-yojana)

https://jaljeevanmission.gov.in/

Tunnel

Tunnel construction has become integral to India's infrastructure development, experiencing significant growth in recent years. This growth is driven by advancements in key infrastructure sectors such as urban rail, roads and highways, hydropower and irrigation. The expanding metro rail sector has also boosted tunneling activities, while road and highway tunnels, particularly in hilly areas, are seeing increased development.

According to data from India Infrastructure Research, India has completed over 2,500 km of tunnel infrastructure across various sectors. A breakdown by sector reveals that the hydropower industry leads with over 1,200 km of completed tunnels, followed by irrigation (more than 470 km), railways (more than 270 km), metro projects (more than 240 km), water and sewerage systems (more than 230 km) and roads (more than 60 km).

Looking ahead, the tunnelling sector anticipates a robust pipeline of approximately 1,300 upcoming projects, covering a total length exceeding 3,600 km. Among upcoming projects categorized as under planning, under bidding and ongoing, Jammu & Kashmir leads with around 200 tunnels, followed by Maharashtra (around 140 tunnels), Himachal Pradesh (more than 100 tunnels), Andhra Pradesh (around 90 tunnels) and Arunachal Pradesh (around 80 tunnels). Maharashtra tops the list in terms of projected length, with over 1,100 km, trailed by Jammu & Kashmir with over 460 km and Uttarakhand with more than 280 km.

Progress in tunnel techniques and underground space engineering has been pivotal in facilitating quicker and more effective construction processes. The New Austrian Tunnelling Method (NATM) is increasingly recognized in the country, particularly favored for its effectiveness in handling unpredictable geological and hydrogeological conditions. Tunnel boring machines (TBMs) are becoming increasingly popular in tunnel construction, particularly in the roads, highways and metro sectors, due to their suitability for urban tunneling. TBMs are being adopted as alternatives to traditional methods like the Drill and Blast Method (DBM). The use of innovative and advanced materials has become crucial as tunnel construction becomes more intricate, particularly in the Himalayan and peninsular regions.

Looking ahead, the future prospects for tunnel development in the country appear promising.

Source:

https://indianinfrastructure.com/2023/06/06/tunnelling-works-market-size-developments-and-upcoming-projects/

Road

India boasts the world's second-largest road network spanning approximately 6.7 million kilometers, crucial for transporting 64.5% of its goods and accommodating 90% of passenger traffic. Over the last decade, the country's road infrastructure has expanded significantly, exemplified by the growth of its national highways from 97,830 km in 2014-15 to 146,145 km by December 2023. This growth trajectory is supported by substantial investments, with ₹ 2,78,000 million allocated to the Ministry of Road Transport and Highways in the Interim Budget 2024-25.

The sector has seen a steady increase in national highway construction, achieving 10,457 km in FY22 and 10,331 km in FY23 despite pandemic challenges. Currently, 202 national highway projects totaling 6,270 km are underway, reflecting an investment of ₹ 7,97,890 million. Public-private partnerships (PPP) play a pivotal role, with 352 projects worth US$ 76.95 billion in progress as of November 2023.

Future projections are optimistic, with the National Infrastructure Pipeline earmarking ₹ 11,100,000 million for FY25, indicating a substantial 18% share for the roads sector in capital expenditure. Private investments are expected to surge, potentially reaching ₹ 1 trillion annually over the next 6-7 years, driven by initiatives to attract corporate investments and enhance project efficiency.

Recent developments include Prime Minister Narendra Modi inaugurating 112 national highway projects valued at approximately US$ 12.04 billion in March 2024, underscoring the government's commitment to infrastructure expansion. Furthermore, infrastructure investment trusts (InvITs) in the road sector are set to double by March 2025, fostering additional avenues for funding and development.

In conclusion, India's road infrastructure is undergoing rapid expansion fueled by significant investments and strategic initiatives, poised to bolster economic growth and connectivity across the nation.

Source:

https://www.ibef.org/industry/roads-india

Urban Infrastructure

India's rapid urbanization is poised to transform its landscape by 2036, with towns and cities expected to accommodate 600 million people, constituting 40 percent of the population, up from 31 percent in 2011. Urban areas are projected to contribute nearly 70 percent to GDP. The successful management of this urban shift will be pivotal in achieving India's goal of becoming a developed nation by 2047, marking its 100th year of Independence. The construction of essential infrastructure will be crucial in creating sustainable, climate-resilient and inclusive cities that drive economic growth. Significant investments are necessary, given that nearly 70 percent of the required urban infrastructure by 2047 remains to be built.

Investment in public services is essential to enhance citizens' productivity and quality of life. Improving healthcare access and upgrading skills, with the private sector's involvement, is critical for building human capital in India's urban areas. Efficient public transportation is another pivotal factor in enhancing productivity. Ensuring safe and accessible transportation for women is crucial for enhancing workforce participation and economic development. Increasing female labor force participation could significantly boost India's potential growth in the coming decade. Given India's water scarcity challenges, creating robust water infrastructure is imperative. Cities like Surat and Dharampuri have set examples in water management through large-scale wastewater recycling and integrated water supply systems.

India currently operates 945 kilometers of metro systems, with an additional 1,000 kilometers under construction. It is projected that within the next two and a half years, India will boast the world's second-largest urban metro system.

India's real estate sector is experiencing robust growth and significant investment, poised to expand further by 2040. With the market expected to reach ₹ 650,000 million (US$ 9,300 million) from ₹ 120,000 million (US$ 1,720 million) in 2019 and potentially grow to US$ 5,800,000 million by 2047, the sector is set to contribute 15.5% to India's GDP. Strong demand across residential, commercial and retail segments, coupled with increasing investments and government initiatives like PMAY-U to boost affordable housing, are driving this expansion.

In 2023 alone, residential property sales surged and the completion of 5,58,000 homes underscored market vitality. The commercial real estate sector also saw substantial activity, with record-high leasing volumes and increasing investments from domestic and foreign sources. The flexibility of office spaces and rising demand for data centers further indicate the sector's adaptability to evolving economic trends.

Source:

https://www.worldbank.org/en/news/opinion/2024/01/30/gearing-up-for-india-s-rapid-urban-transformation

https://www.ibef.org/industry/real-estate-india

Future Outlook of the Infrastructure Sector in India:

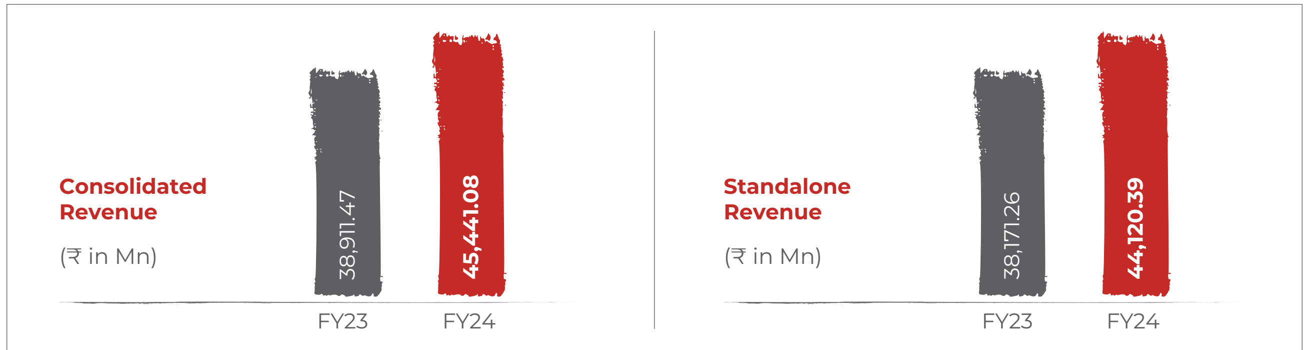
The infrastructure of India is a crucial component of its economic system. World-class infrastructure is being built across the nation in the fields of roads, waterways, trains, airports and ports, among other sectors, as a result of a substantial shift in the industry. The nationwide smart cities initiatives have changed the game for the economy. Given its crucial role in the development of the country, India's need and ambition for rapid development has resulted in a great boom in the infrastructure industry. Urbanisation and a rise in foreign investment in the industry have facilitated the expansion.

According to S&P Global Ratings, India's GDP is projected to rise by 8% over the next three fiscal years, one of the fastest rates among significant developing nations. India and Japan have teamed together to build the infrastructure in the northeastern states of India and they are also creating an India-Japan Coordination Forum for Northeast Development to carry out important infrastructure projects for the area.

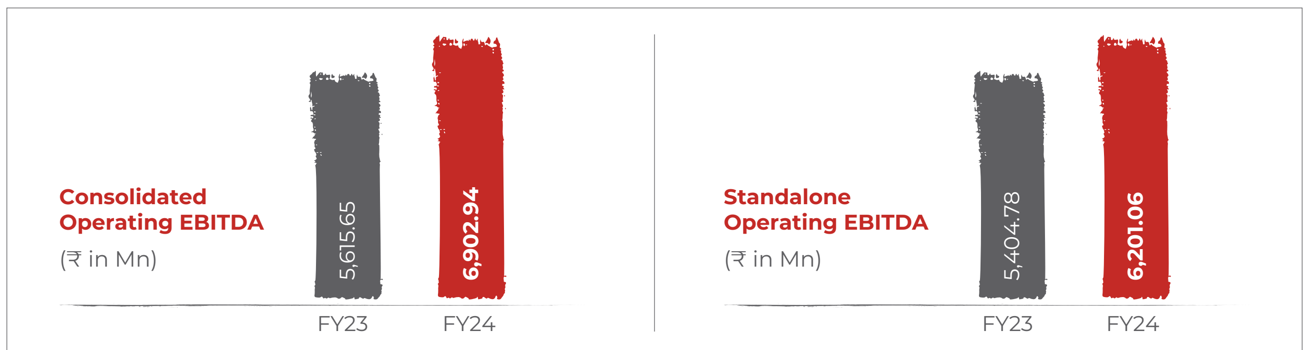
Patel Engineering (PEL) Development

Financial Performance

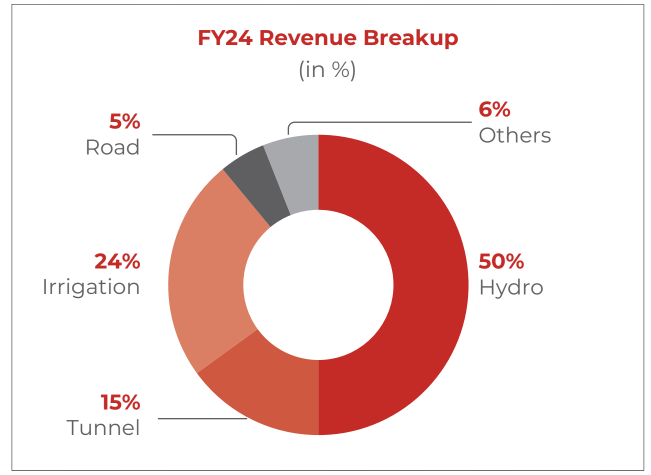
The Company achieved significant growth in FY24 and has continued the growth momentum as seen in recent years. For FY24, the Company's consolidated revenues from operations increased by 16.78% to ₹ 45,441.08 million, up from ₹ 38,911.47 million in FY23. Standalone revenues rose by 15.59% to ₹ 44,120.39 million, compared to ₹ 38,171.26 million in FY23.



On a consolidated basis, Operating EBITDA increased by 22.92% to ₹ 6,902.94 million, compared to ₹ 5,615.65 million in FY23. Standalone Operating EBITDA grew by 14.73% to ₹ 6,201.06 million, up from ₹ 5,404.78 million.



Consolidated Net Profit rose by 70.60% to ₹ 2,641.00 million, compared to ₹ 1,548.07 million in FY23. Standalone Net Profit surged by 84.90% to ₹ 2,881.80 million, up from ₹ 1,558.53 million in FY23.



The segment wise revenue break-up on a standalone basis for FY24 is – Hydropower – 50% i.e. ₹ 22,060 Mn, Irrigation – 24% i.e. ₹ 10,589 Mn, Tunnel – 15% i.e. ₹ 6,618 Mn, Road – 5% i.e. ₹ 2,206 Mn and revenue from Urban Infra and Others contribute 6% i.e. ₹ 1,908 Mn.

Further, in FY24, the Company also filed for various settlement amounts under the Vivad Se Vishwas scheme which was launched for the settlement of pending disputes related to Government contracts which were under on-going arbitration. The Company realized around ₹ 1,300 Mn through settlement of arbitration claims.

The Company continued to reduce the overall debt burden and improve the profitability thereby unlocking shareholder value.

As of March 31, 2024, the consolidated gross debt stands at ₹ 18,855 Mn, compared to ₹ 17,408 Mn as of March 31, 2023. Further, total advances from clients as of March 31, 2024, amount to ₹ 7601 Mn, down from ₹ 12,358 Mn as of March 31, 2023. Consequently, the net serviceable debt has decreased from ₹ 29,766 Mn in March 2023 to ₹ 26,456 Mn in March 2024, marking a reduction of ₹ 3,310 Mn.

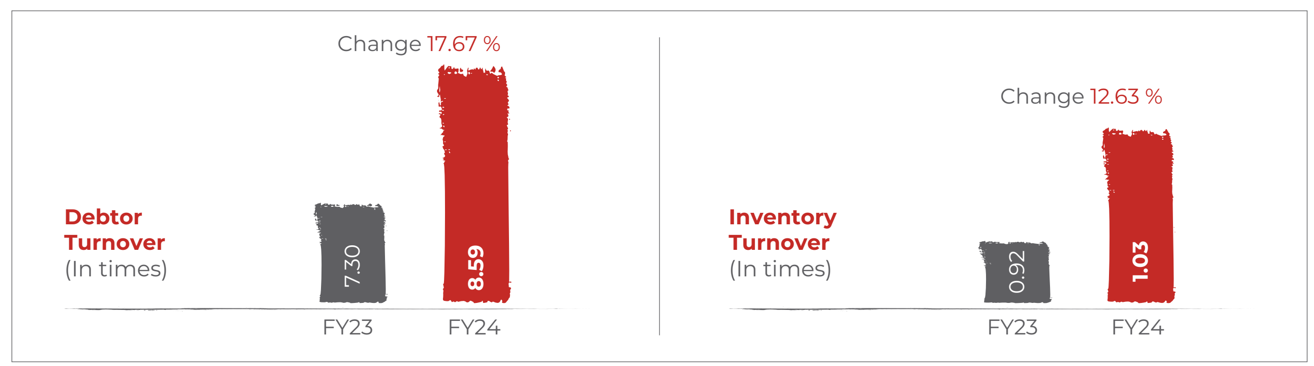
The debt breakdown is as follows: ₹ 11,120 Mn is categorized as Working Capital Debt, while the remaining ₹ 7,735 Mn constitutes Term Debt. The Term Debt is anticipated to be settled over the next 3 to 4 years through proceeds from monetizing non-core assets and/or surplus generated from operations.

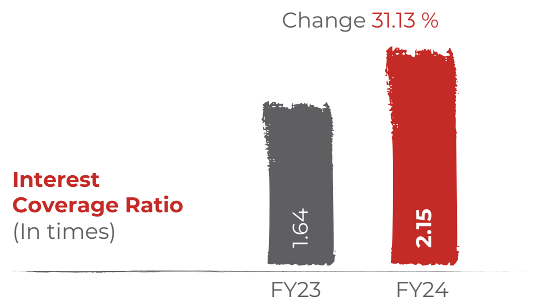
There was also a reduction in interest outflow by ₹ 501.28 Mn in FY24 which stood at ₹ 3,620.94 Mn as compared to ₹ 4,122.22 Mn in FY23.

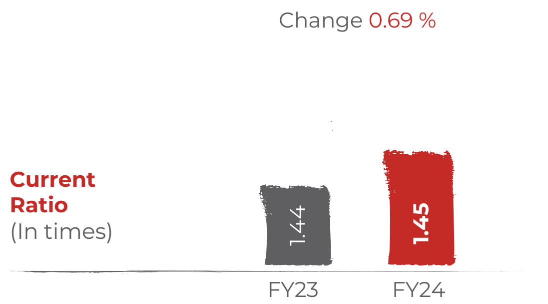
Based on the improvements in the financial performance, the Company also received an upgrade in its credit rating from BBB+ to A-.

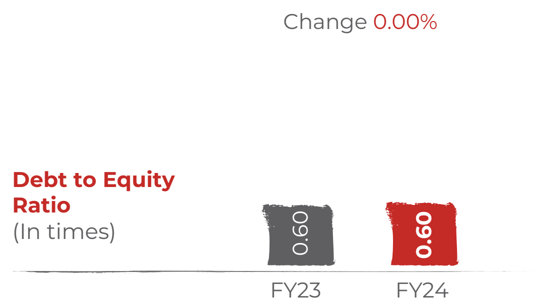
Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including:

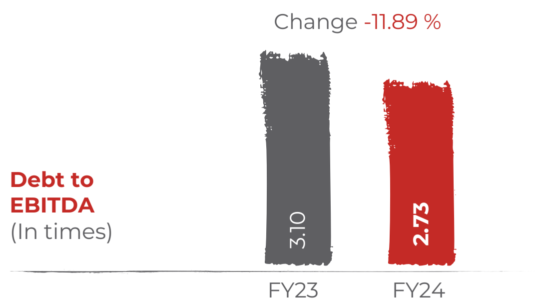
In compliance with the requirement of listing regulations, the key financial ratios on Consolidated basis have been provided here under:

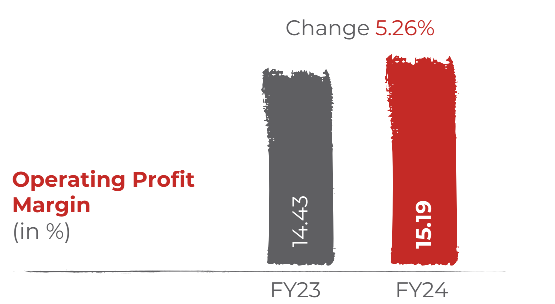


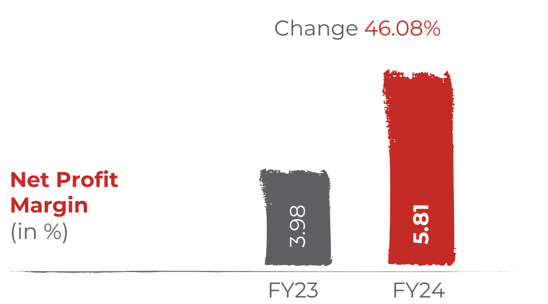


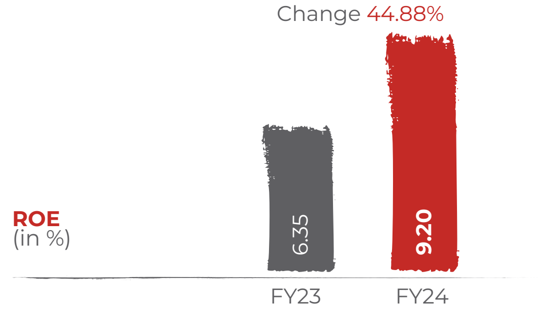


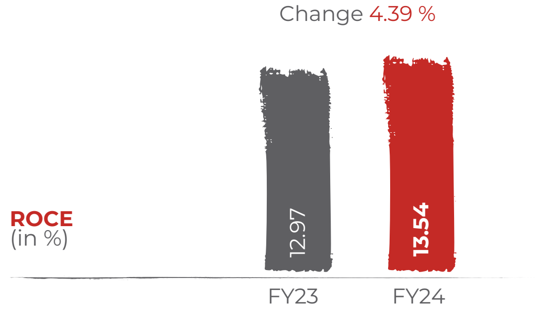












Note: The explanation for significant change along with reasons has been captured in the notes to financial statements.

INTERNAL RISK FACTOR

Dependency on Government Contracts and Potential Policy Changes

Risk and Concern:

Our business faces a significant risk and concern due to its heavy dependency on government contracts which we enter into with various Central/State Governments and public sector undertakings wherein Central and/or State Governments hold a majority stake and the potential impact of policy changes. This situation introduces uncertainty and potential challenges that need to be carefully addressed and managed. However, majority of the clients i.e. Central PSU's have strong balance sheets which minimizes the risk.

Potential Delays, Modifications or Cancellations of Projects Impacting Business

Risk and Concern:

Our business faces a risk and concern regarding potential delays, modifications or cancellations of projects included in our Order Book and future projects. These circumstances may arise due to factors beyond our control, Nevertheless, it has been observed that there is a decrease in these risks in recent years due to improved monitoring and decision-making by both the client and the Company. Additionally, the Company mitigates its risks through escalation clauses included in nearly all contracts.

EXTERNAL RISK FACTORS

Impact of Prevailing Economic, Political and Market Conditions on Our Business

Risk and Concern:

Various factors may lead to a slowdown in the Indian economy, which in turn may adversely impact our business, prospects, financial performance and operations. In the past, the Indian economy has been affected by global economic uncertainties, liquidity crisis, domestic policies, global political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, volatility in inflation rates and various other factors. Recently, despite serious concerns in the global economic landscape, the country's GDP continues to grow at approximately 8% due to robust domestic demand, increased output and the government's dedicated implementation of the "Make in India" initiative.

Impact of Communicable Diseases and Natural Calamities on Indian Economy and Our Business.

Risk and Concern:

Our business faces a significant risk and concern regarding the impact of widespread communicable diseases, such as COVID-19 and natural calamities on the Indian economy. These events have the potential to materially and adversely affect our business, prospects, financial condition and results of operations. As a Company, we are prepared to embrace these challenges, drawing from our past experiences.

Impact of Non-Performance / late performance or poor performance by third-party subcontractor to comply with applicable laws could affect the completion of our contracts Risk and Concern:

Risk and Concern:

In our Business, we are mostly engaged as a contractor by clients and we further sub-contract part or entire work on case to case basis in respect of our projects. When we sub-contract, payment on such projects may depend upon the performance of the sub-contractor. When we are the principal contractor, we rely on third-party subcontractors we hire to perform a substantial amount of the work under our contracts, particularly engineering and construction contracts. We also rely on third-party equipment manufacturers or suppliers to provide the equipment and materials used for engineering and construction projects. However, majority of subcontractors and suppliers have been collaborating with the Company for decades and have acquired extensive expertise in their respective fields of work.

Adverse Impact of India's Debt Rating Downgrade on Our Business.

Risk and Concern:

Our business is exposed to a significant risk and concern arising from the potential downgrading of India's debt rating by domestic or international rating agencies. Such downgrades can have adverse effects on various aspects of our business operations and financial performance. Write about rating upgrade of India and our Company.

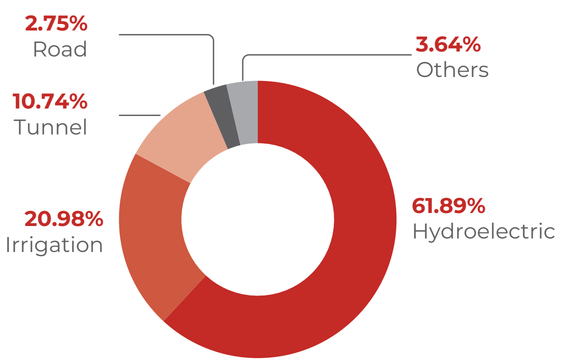
Operations Review

The Company continues to prioritize improving execution capabilities, optimizing resources and leveraging extensive experience in hydro-power, irrigation, tunnelling and urban infrastructure. These efforts enable us to competitively pursue projects that align with government investments.

During the year the Company received new projects of ~ ₹ 40,273 Mn. Ordering in FY24 was subdued due to election period. However, ordering is expected to pick up in the current FY25. With the outlook and focus of the Government on infrastructure and increase in budget allocation for this year, a large number of projects are expected to come up for bidding.

The Company is executing 47 ongoing projects across 15 states in India, as well as 2 on-going projects in Nepal. These projects have a combined value of ₹ 1,86,630 million.

Segment Wise Order Book



Segment	No. of Projects	Order Book Value
Hydroelectric	15	1,15,506
Irrigation	18	39,156
Tunnel	6	20,049
Road	5	5,132
Others	5	6,787
	49	**1,86,630**

Hydro Power Projects:

Our Company maintains a significant presence in the hydro power sector, accounting for 61.89% of our current order book. We are currently involved in 15 ongoing hydropower projects.

In FY24, our Company was awarded the works for the Construction of Head Race Tunnels, Intake, Pressure Shafts, Penstocks, Power House & Transformer Cavern, Tail Race Tunnels, Pothead Yard, Adits etc for Dibang Multipurpose project which is located in Arunachal Pradesh having a capacity of 2,880 MW. The value of the contract is ₹ 36,371 Mn. The project is being executed in joint venture and our share in the project is ₹ 18,185 Mn.

Currently, in India around 18,000 MW of hydropower projects are currently under execution, of which our Company is involved in around 8,000 MW of these projects which is a 45% market share of the current hydropower projects currently under execution.

Some of the Major Hydropower projects that our Company is currently under taking is as below:

Dibang Multipurpose Project	2,880 MW
Subansiri Hydropower Project	2,000 MW
Kiru HEP	624 MW
KWAR HEP	540 MW
Teesta VI HEP	500 MW
Shongtong HEP	450 MW
Luhri HEP	210 MW

Irrigation

In recent years, the Company has been actively increasing its presence in the irrigation sector, driven by abundant opportunities and upcoming projects. Government emphasis on this sector, supported by initiatives such as the Jal Jeevan Mission and PMKSY, has further bolstered this expansion.

In FY24, our Company was awarded six new Irrigation projects, 4 of which are located in Maharashtra namely Krishna Marathwada – Lift Irrigation – Scheme 1 and 2 and the Nira Deoghar Right Bank Main Canal works from KM66 to KM76 and also from KM77 to KM87, an RCC Protection wall project on Munneru River located in Telangana and the SHER Micro – Irrigation project in Madhya Pradesh. The total value of these projects is ₹ 28,009 Mn and share of the Company in these irrigation projects amount to ₹ 12,430 Mn,

The Company is currently executing 18 Irrigation projects and this sector accounts for 20.98% of the current order book of the Company.

Some of the major irrigation projects that are currently under execution are as follows:

- **Sleemanabad Irrigation Project**
- **Khalwa Micro Lift Irrigation Scheme**
- **Tumkur Branch Canal Project – Package 1, 3 and 5**
- **Krishna Marathawada – Scheme 1 and 2**
- **Parbati Irrigation Project**

Tunnel

The Company is currently undertaking tunnel projects and is honored to be involved in some prestigious projects of national significance. In FY24, our Company completed the Sela Road and Tunnel Project which is the world's longest bi-lane tunnel in the world situated at an altitude of over 13,000 ft. The Sela Tunnel was also honored as the highest tunnel in India by the International Book of Honour, England. The project was inaugurated by the honorable Prime Minister Mr. Narendra Modi in March 2024.

In FY24, we were awarded a tunnel project for the design and construction of a Water Tunnel in the state of Maharashtra by City and Industrial Development Corporation (CIDCO) having a total value of ₹ 5,195 Mn.

Our Company currently has 6 on-going tunnel projects which account for 10.74% of the current order. We are working on Tunnel T-15 which is located in Jammu & Kashmir. Our Company is also executing two water tunnel projects in Mumbai City namely AMT-II which is from Amar Mahal to Trombay and also a tunnel from Powai to Ghatkopar. Apart from this our Company is executing the Tunnel T-7 project in West Bengal and Sikkim which is India's first underground station cavern to be built.

Road

The Company is actively participating in road construction projects, a sector that holds immense potential with the government's strong focus on enhancing road connectivity in recent years. India's government has prioritized resources towards improving the country's road transport infrastructure, including the development of highways, economic corridors and feeder roads. According to Nitin Gadkari, India's Minister of Road Transport and Highways, the nation aims to expand its road network to rival that of the United States within the next five years. The government's primary goals include reducing metro traffic congestion, minimizing commute times and improving road safety. With an allocation of approximately $1.4 trillion, the government has substantially increased infrastructure investments up to 2025. The finance minister has revised the allocation from ₹ 1,67,000 million in the previous year to ₹ 1,68,000 million for the fiscal year 2024-25, providing significant support to the National Highways Authority of India (NHAI).

Our Company has 5 on-going road projects which account for 2.75% of the order book under execution. The Sela Road and Tunnel project is being executed by the Company which is located in Arunachal Pradesh at an altitude of 13,000 ft. In the past as well our Company has worked on road projects located in high altitude regions in North India. Our Company is also involved in executing the Katraj Kondwa road project located in Maharashtra.

Urban Infrastructure Development & Others:

Given the government's emphasis on enhancing the country's urban infrastructure, there is considerable potential in this sector. Initiatives by the Government aimed at providing drinking water to every household, are expected to generate further projects to foster urban development. Further, there is significant growth in the real estate sector in India and is expected to grow further as more than 600 million people would be living in urban cities by 2036.

The Company is currently involved in 5 ongoing projects within this sector contributing to 3.64% of the current order book. In FY24, Our Company received a ₹ 12,753 Mn contract from Madhya Pradesh Jal Nigam for the Narmada – Gambhir Multi-village drinking water supply scheme located in Madhya Pradesh. The project is being executed in joint venture and our Company share in this project is ₹ 4,463 Mn. Our Company is also executing construction of a Integrated Coy Level building in the state of Jammu & Kashmir.

Asset Ownership:

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

Thermal Power Projects – Our Company, through our subsidiaries had acquired land in Tamil Nadu for setting up a thermal power plant. The thermal power projects have been currently kept on hold.

Road BOT – The consortium consisting of our Company and KNR Constructions Limited had executed a road annuity project to expand an existing two-lane expressway to a four-lane on the NH 7 highway in the state of Karnataka over a 60.40 km stretch between Andhra Pradesh-Karnataka border and Avathi village (KNT-1) through our SPV, Patel KNR Infrastructure Limited ("PKIL"), The project was developed on a BOT basis. PKIL is entitled to receive fixed semi-annual payments from NHAI, for a period of 20 years. The yearly annuity for the project is ₹ 658.80 million. Our stake in the project is 60%. The commencement date was December 2009.

The consortium consisting of our Company and KNR Constructions Limited had executed a road annuity project to expand an existing two-lane expressway to a four-lane on the Nagpur – Hyderabad section on the NH 7 highway in the state of Andhra Pradesh over a 53.02 km stretch annuity road between Islam Nagar and Kadtal, through our SPV, Patel KNR Heavy Infrastructure Limited ("PKHIL"), The project is being developed on a BOT basis. PKHIL is entitled to receive fixed semi-annual payments from NHAI for a period of 20 years. The yearly annuity for the project is ₹ 887.40 million. Our stake in the project is 42%. The commencement date was June 2010.

Further, the Company have a 32% stake in ACP Tollways Private Limited (ATPL) which has developed a road project for the state of Uttar Pradesh, between Varanasi and Shakti Nagar. The project was commenced in October 2015. Revenue is received based on the toll collection from vehicular movement.

Real Estate:

Majority of the Company's land parcels are 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 to monetize them.

The Company has completed all construction activities and is nearing completing handing over the possessions of the apartments to owners in its residential project – Smondo Gachibowli located in Hyderabad.

CSR Initiatives

The Company has undertaken vide range of Corporate Social Responsibility (CSR) initiatives, spanning across regions including Lower Subansiri (Arunachal Pradesh), Simla & Kullu (Himachal Pradesh), Kishtwar, Poonch & Ramban (Jammu & Kashmir), Nilgiri (Tamil Nadu). Through concerted efforts, Company is driving positive change and making impact on the lives of individuals and communities.

The Company has undertaken several CSR activities aimed at empowering local communities around our project sites which includes adoption of school, infrastructure development in local villages around few project sites of the Company, education aids to kids of BPL families, ambulance service for local villagers, bus service for local villagers, relief to victims of wreaked havoc, construction of cultural cum library hall, essential commodities in medical dispensaries provided to local villagers etc.

You can read more about Company's CSR initiatives on page 74 of the Annual Report 2024.

Internal Financials Controls

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weakness in the design or operation was observed.

Management Systems

In the FY 24-25, Company continues to prioritize performance enhancement. This includes resource utilization, quality management, safety measures, environmental protection, human resource development and design engineering. Our commitment to customer satisfaction, work effectiveness and time management remains unwavering.

Our Integrated Management System (IMS), based on ISO standards, is meticulously managed and maintained. It covers all aspects of our operations, ensuring that we adhere to the highest standards in all our activities. We have further refined our document control system, which organizes, stores, retrieves and shares a vast array of project-related documents securely. This system ensures that the right stakeholders have access to the necessary information at the right time, enhancing our operational efficiency. Quality remains paramount to us. Our quality management system has been further improved to ensure that our projects meet required standards and specifications. It includes quality control inspections, documentation of non-conformities and corrective actions. Safety management continues to be critical, especially given potential hazards at our project sites. Our safety management system, which includes safety policies, hazard identification, risk assessments, safety training, incident reporting and emergency response procedures, ensures compliance with safety regulations and promotes a safe working environment.

We have expanded our safety and environment training programs, conducting them more frequently. We have implemented Risk-Based thinking methods for hazard identification and environment protection at our project sites. This has reduced the incident ratio, making our operational sites safer. Our communication and collaboration systems have been upgraded to facilitate more efficient communication among project teams, subcontractors, suppliers and clients. This includes advanced email systems, state-of-the-art project management software and other innovative collaboration tools.

Our resource management system has been enhanced to manage labor, equipment and materials more efficiently. It helps track and allocate resources, schedule equipment usage, manage inventory and optimize resource utilization. This ensures that resources are effectively utilized and projects are adequately staffed. Our management review sessions have become more frequent, allowing us to regularly inspect our operations, identify flaws and provide solutions. This strengthens our system, making it more robust and resilient.

Looking forward to the rest of the fiscal year, we are excited about incorporating more advanced technologies into our operations. We are exploring the use of AI and planning to scale up our E-Learning and IoT efforts. These initiatives are part of our ongoing commitment to digital transformation and innovation. We remain committed to our goal of becoming a Digital Native enterprise, connecting our business with the outside world and fostering new skills among our employees. We are confident that these efforts will position us for continued success in the years to come.

Information Technology Services

On behalf of all of our leaders in the Company, we would like to congratulate and thank each and every one of our talented IT team for their hard work, enthusiasm, unwavering commitment to quality and dedication. The wide range of capabilities and experiences they bring to work every day are the foundation of our success.

We have made our technology investments in building a strong digital core aligned with our corporate strategic ambitions to optimize our operations, accelerate revenue growth, create tangible value at speed and scale to help our stakeholders succeed in achieving sustained outcomes and building trust. We are proud that we could rise to all the challenges and deliver the digital solutions in such a short time because of our excellent coordination between technology and business. This partnership has helped us be very intentional by being really clear what value we intend to generate from the technology we deploy. These digital transformation investments are providing returns that have exceeded expectations and are driving tangible gains for the company's revenues from operations increased by 16.78%

Given there is more transformation ahead of us than behind us, technology is at the core of change today. Our projects have even greater opportunities for digitization especially with the emergence of AI in particular which is maturing rapidly – it will reinvent the way we live, work and be a significant source of value for us over time. It is important to emphasize that we are early in the maturity of generative AI for enterprise but we have to act today. With a deep technical knowledge and understanding of AI and are blending it with our industry and functional expertise, our IT team at PEL has started by building a strategy to reinvent our processes and operating models, bringing together the depth and breadth of our expertise. In addition, in FY24 we are implanting IoT solutions for Truck Volumetric Measurement, Fuel and Fleet management across all our projects, this will improve fleet efficiency and productivity and reduce fuel costs.

In IT, we care deeply for knowledge and are committed to a culture of shared success. We provide opportunities to learn and grow in their careers through their work experience and continued development by drip-feed on the job training and reskilling and to helping them achieve their aspirations both professionally and personally.

Human Resources Department

The foundation of our success is teamwork. With a diverse workforce of approximately 4,580 permanent employees, we take pride in attracting, engaging and retaining top talent in a competitive environment. Our goal is to create a positive workplace that nurtures employee growth and satisfaction.

We provide comprehensive on-the-job training and development programs to ensure our employees have the skills and support needed to excel and contribute to our goals. Through transformational leadership, we promote mentorship and collective growth, driving continuous improvement in our dynamic industry.

Our commitment to inclusivity allows employees from diverse backgrounds to be their authentic selves, develop their skills and advance their careers. By fostering a sense of belonging, we enhance work performance and create a culture of inclusion.

We focus on talent acquisition, employee well-being and process optimization. We actively engage with employees at remote sites to promote their health and happiness. With over 95% of our workforce working remotely, these initiatives significantly enhance satisfaction and productivity.

We continually improve HR processes and systems. These optimizations enhance organizational effectiveness and drive positive outcomes.

Our management team consists of seasoned professionals and fresh talent from top institutes, creating a dynamic environment for innovation and growth. We adhere to a "People First" policy, recruiting the best talent to foster a motivated and high-performing workforce.

We emphasize continuous development and retention through a robust performance management system and development plans. Our Variable Pay system, linked to performance metrics, reinforces a meritocratic and performance-driven culture.

In summary, our HR department is committed to acquiring and developing talent, enhancing employee well-being and streamlining processes. Through collaborative efforts, we foster a supportive and dynamic workplace where employees thrive and drive our collective 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 realised, although we believe we have been prudent in assumptions. The operations of the Company may be affected due to various reasons like changes in political and economic front of the country; fluctuations in exchange rate, tax laws, litigations, labour relations, interest costs and overall scenario of the infrastructure sector. Hence, the achievements of results are subject to risks uncertainties and even inaccurate assumptions. Should know or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

August 13, 2024

Corporate Information

BOARD OF DIRECTORS

Ms. Janky Patel, Chairperson (effective from July 6, 2024)

Ms. Kavita Shirvaikar, Managing Director

Mr. Kishan Lal Daga, Whole Time Director (effective from June 15, 2024)

Mr. Dimitrius D'Mello. Whole Time Director (effective from August 13, 2024)

Mr. K. Ramasubramanian, Independent Director

Dr. Sunanda Rajendran, Independent Director

Mr. Shambhu Singh, Independent Director

Mr. Ashwin Parmar, Independent Director

Dr. Emandi Sankara Rao, Independent Director (effective from August 13, 2024)

KEY MANAGERIAL PERSONNEL

Mr. Rahul Agarwal, Acting Chief Financial Officer
Ms. Shobha Shetty, Company Secretary

AUDITORS

Vatsaraj & Co.
Chartered Accountants
204-205, Inizio Business Centre,
Cardinal Gracious Road,
Chakala, Andheri East,
Mumbai – 400099.

REGISTERED OFFICE

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

REGISTRAR & TRANSFER AGENT

Link Intime India Pvt Limited
C-101, 247 Park,
L. B. S. Marg, Vikhroli (West),
Mumbai – 400 083.
Tel No: +91 22 49186000 Fax: +91 22 49186060
E-mail id: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in
Tel No. : +91 22 6978 3900
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 of India Ltd
RBL Bank Ltd
IndusInd Bank Ltd
SREI Equipment Finance Ltd
Export- Import Bank of India
Yes Bank Ltd
Life Insurance Corporation of India (LIC)
General Insurance Corporation (GIC)
Indian Renewable Energy Development Agency (IREDA)

DEBENTURE TRUSTEE

IDBI Trusteeship Services Limited
Universal Insurance Building,
Ground Floor, Sir P.M. Road,
Fort, Mumbai – 400001
Tel: +91-22-4080 7000
Email: itsl@idbitrustee.com
Website: www.idbitrustee.com

Catalyst Trusteeship Limited
Unit No-901, 9th Floor,
Tower-B, Peninsula Business Park,
Senapati Bapat Marg, Lower Parel (W),
Mumbai-400013
Tel: +91 22 4922 0555
Email: - ComplianceCTL-Mumbai@ctltrustee.com
Website: www.catalysttrustee.com

Board's Report

To the Members of Patel Engineering Limited,

Your Directors hereby present the 75th 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, 2024:

FINANCIAL PERFORMANCE

Standalone and Consolidated

(₹ in million)

Particulars	Consolidated		Standalone	
	2023-24	2022-23	2023-24	2022-23
Total Income	**46,330.16**	**40,060.84**	**45,210.28**	**39,613.97**
Revenue from Operations	**45,441.08**	**38,911.47**	**44,120.39**	**38,171.26**
Total Operating Expenses	**38,538.14**	**33,295.82**	**37,919.34**	**32,766.48**
Operating EBITDA	6,902.94	5,615.65	6,201.05	5,404.78
Depreciation and amortization expense	976.14	808.99	971.30	806.41
Finance Cost	3,620.94	4,122.22	3,567.88	3,997.30
Exceptional Item	(856.18)	8.14	(1,034.28)	60.78
Profit / (Loss) before tax	**4,051.12**	**1,825.67**	**3,786.05**	**1,983.00**
Tax expenses	1,035.11	388.63	930.09	427.36
Share in profit / (loss) in associates (net)	6.09	46.79	-	-
Net Profit / (Loss) after tax from continuing operations	**3,022.10**	**1,483.83**	**2,855.96**	**1,555.64**
Net Profit / (Loss) after tax from Discontinuing operations	(119.73)	351.05	-	-
Other Comprehensive Income (Net)	(56.90)	(123.96)	25.84	2.89
Total comprehensive income for the year	**2,845.47**	**1,710.92**	**2,881.80**	**1,558.53**
Non controlling interest	204.47	162.85	-	-
Net Profit for owners	2,641.00	1,548.07	2,881.80	1,558.53
Earnings per equity shares ₹ (face value ₹ 1 each)				
- Basic	3.64	2.85	3.69	2.97
- Diluted	3.54	2.03	3.59	2.10

Consolidated:

The Consolidated total income for FY 2024 stood at ₹ 46,330.16 million as against ₹ 40,060.84 million for the previous year. The Net profit for the year ended March 31, 2024 was at ₹ 2,641.00 million as against Net profit of ₹ 1,548.07 million for the previous year.

Standalone:

On Standalone basis, the total income for FY 2024 stood at ₹ 45,210.28 million as against ₹ 39,613.97 million for the previous year. The Net Profit for the year ended March 31, 2024 was at ₹ 2,881.80 million as against Net profit of ₹ 1,558.53 million for the previous year.

Dividend

To conserve funds, the Directors have not recommended payment of dividend for the financial year 2023-24.

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

Share Capital

As on March 31, 2024, 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.

In April 2024, the Company allotted 7,07,58,889 equity shares to Qualified Institutional Buyers (QIBs), on account of which the paid up share capital of Company increased to 84,43,76,117 divided into 84,43,76,117 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").

Borrowing

The total long-term borrowings stood at ₹ 17,321.61 million as on March 31, 2024 as against ₹ 15,421.76 million as on March 31, 2023.

Due to replacement of high interest bearing contractee advance of ₹ 2,520 million with a low interest bearing borrowing from financial institution which gives us a saving in interest cost, borrowing for the year has been increased.

Subsidiaries & Associates

As on March 31, 2024, the Company has 52 subsidiaries including the step-down subsidiaries.

Michigan Engineers Pvt. Ltd - As part of the strategy to monetize investments and non-core assets, the Company sold/transferred 41.01% of its equity stake out of 51% in its subsidiary Michigan Engineers Pvt Ltd (MEPL). Due to the above transaction, MEPL ceased to be a Subsidiary of the Company effective May 25, 2023.

Patel Surya (Singapore) Pte. Ltd., being non-operative, the Company made application to the Registrar for striking off the name and the struck off was effective from August 7, 2023, hence it ceased to be a Subsidiary of the Company.

Bellona Estate Developers Ltd ('BEDL') was an associate company as on March 31, 2023. On account of one-time settlement of BEDL with the lenders, 2 out of 3 lenders have transferred their stake in BEDL to the Company. By virtue of above transfer, the Company holds 92.9% in BEDL and it became our Subsidiary. The transfer of shares (balance stake of 7.1%) of one lender to the Company is in process.

Highlights of performance of key subsidiaries/Associates:

Dirang Energy Private Limited (Dirang), a Special Purpose Company for development of 144MW Gongri Hydroelectric Power Project in West Kameng District in Arunachal Pradesh. The project development activities are on halt due to delay in obtaining statutory clearance, untimely debt disbursement, resistance from local villagers, liquidity issues, etc. The State Government has issued the termination notice which has been challenged by the Company in Guwahati High Court. The Hon'ble High Court of Guwahati has directed parties to initiate the Arbitration Proceedings for resolution of disputes. In accordance with the terms of the Memorandum of Agreement and amendment thereof the company has started the Arbitration proceedings in the matter against the Government of Arunachal Pradesh. The external debt in Dirang has been settled and there is NIL debt outstanding as on date.

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 Occupation Certificate (OC) for Smondo Gachibowli project to Greater Hyderabad Municipal Corporation (GHMC) and started handing over of the flats to buyers, by end of March 2024 the company has already handed over about 75% apartments out of the total sold apartments.

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 has received the partial award and expecting the final award in near future.

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 24 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 24 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 LODR Regulations.

Details of transactions with related parties during FY 24 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/re-appointed the below mentioned Directors as Independent Directors during the year under review:

1. Re-appointed Mr. Shambhu Singh (DIN: 01219193) for 2nd term effective from March 01, 2024 for a period of 3 years. The re-appointment of Mr. Shambhu Singh was approved by Members of the Company on January 03, 2024.
2. Appointed Mr. Ashwin Parmar (DIN: 00055591) for 1st term effective from April 20, 2023 for a period of 3 years. The appointment of Mr. Ashwin Parmar was approved by members on May 25, 2023.

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.

Further, Mr. Barendra Kumar Bhoi (DIN: 08197173) ceased to be an Independent Director of the Company effective from August 13, 2023 upon completion of his tenure of 5 (five) years.

ii. Other Directors / Key Managerial Personnel

Mr. Sunil Sapre (DIN: 05356483) resigned as Whole time Director of the Company with effect from October 13, 2023 due to personal reasons. The Board appreciates the valuable contribution of Mr. Sunil Sapre during his tenure as Director of the Company.

The Board appointed/elevated Mr. Tirth Nath Singh (DIN: 08760833) from Head – Special Projects to Whole Time Director of the Company with effect from November 03, 2023. The appointment of Mr. Tirth Nath Singh was approved by members on January 03, 2024. However, to pursue new avenues Mr. Singh resigned from the Company effective from closure of business hours of May 3, 2024.

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

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, 2024, the Board met 5 times. The meeting of the Board of Directors of the Company was held on April 20, 2023, May 15, 2023, August 10, 2023, November 03, 2023 and February 12, 2024.

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 are 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 of Directors, its Committees, Chairman, Executive Directors and Independent 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

Mr. Ashwin Parmar – 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. K. Ramasubramanian	-	Independent Director
Ms. Kavita Shirvaikar	-	Whole time Director & CFO
Mr. Ashwin Parmar	-	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 Companies Act, 2013 and Rule 8 of Companies (Corporate Social Responsibility) Rules, 2014, the CSR Report forms part of the Board Report as **Annexure III.** The Company has initiated spending on CSR activities as detailed in the CSR Report.

Statutory Audit

M/s 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 Companies Act, 2013 M/s. N. H. Karnesh & Associates has been appointed as Branch Auditor for the Realty Division of the Company for a term of 5 years to hold office until the conclusion of the 77th AGM to be held in the year 2026.

The Company has appointed M/s. G & A Associates, Chartered Accountants, as Branch Auditor of the Company for Arun 3 H.E. Project, Nepal for FY 2023-24.

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, 2024. 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 one with respect to delay of 3 days in conducting Risk Management Committee Meeting.

As per Regulation 21(3C) of the SEBI LODR Regulations, 2015, the meetings of the risk management committee shall be conducted in such a manner that on a continuous basis not more than 180 days shall elapse between any two consecutive meetings.

The Company received an administrative warning letter from SEBI for violations of provisions of Regulation 21(3C) of the SEBI LODR Regulations, with respect to a gap of 183 days between two consecutive meetings of Risk Management Committee.

The members may note that the violation was inadvertent and it will be ensured no such delays in holding any further meetings.

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 ended March 31, 2024. 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, 2024 in Form MGT-7, is available on the website of the Company at the link https://tinyurl.com/2wecsw42

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, 2024 is uploaded on the Company's website at the link https://tinyurl.com/6snnd7z3.

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. The Company has accepted unsecured loan from a Director.

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 were 6 proceedings pending before the NCLT Mumbai during the FY 2023-2024. Out of which three (3) proceedings are pending for hearing and final disposal against our Company under IBC which do not materially impact the business of the Company. During April 2023-March 2024, 1 proceeding is settled and withdrawn, 2 proceedings are dismissed on merits.

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, 2024;

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.

Business Responsibility and Sustainability Report

In terms of regulation 34(2)(f) of the Listing Regulations, 2015 read with SEBI circular no. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated 12 July 2023 ('the SEBI circular'), the Company has included a detailed BRSR for the FY 2023-24 in the updated format prescribed by the SEBI circular as part of this Annual Report.

As a green initiative, the same has been hosted on Company's website and can be accessed at https://tinyurl.com/bdz2y3tp

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

Rupen Patel
Chairman & Managing Director
DIN: 00029583

May 18, 2024
Mumbai

Annexure I

Form No. AOC - 1

Statement containing the salient features of the financial statements of Subsidiaries
(pursuant to first provisio 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

₹ in Millions

Sl. No.	Name of the Companies	Date since Subsidiary was acquired	Reporting Period for Subsidiary concerned, if different from the Holding Company's Reporting Period	Exchange rate	Issued and subscribed share capital	Reserves	Total Liabilities	Total Assets	Investments	Turnover	Proft / (Loss) before Taxation	Provision for Taxation	Proft / (Loss) after Taxation	Proposed Dividend	Country	Investments by PEL (Directly/ Indirectly)	% of Shareholding
DIRECT SUBSIDIARIES																	
1	Friends Nirman Pvt. Ltd.	14-Jun-2010	-	INR	0.33	21.55	22.23	22.23	-	-	(0.32)	-	(0.32)	NIL	India	0.33	100.00
2	Energy Design Pvt. Ltd.	15-Jun-2009	-	INR	0.50	(70.33)	1.34	1.34	-	-	(0.09)	-	(0.09)	NIL	India	0.50	100.00
3	Shreeanant Constructions Private Limited	10-Dec-2005	-	INR	0.10	(56.83)	62.12	62.12	-	-	(1.92)	-	(1.92)	NIL	India	0.10	100.00
4	Patel Engineering Infrastructure Ltd.	30-Jun-2006	-	INR	100.00	8.69	1,144.43	1,144.43	100.06	-	-	-	-	NIL	India	100.00	100.00
5	Patel Patron Pvt. Ltd.	28-Jun-2012	-	INR	140.70	53.82	195.71	195.71	193.10	-	(0.15)	-	(0.15)	NIL	India	140.70	100.00
6	Vismaya Constructions Pvt. Ltd.	21-May-2007	-	INR	55.10	53.20	109.76	109.76	102.70	-	(0.06)	-	(0.06)	NIL	India	55.10	100.00
7	Bhooma Realties Pvt. Ltd.	22-May-2007	-	INR	72.10	(147.45)	193.56	193.56	-	-	(3.19)	(0.78)	(2.41)	NIL	India	72.10	100.00
8	Shashvat Land Projects Pvt. Ltd.	21-Jun-2007	-	INR	78.80	(107.16)	386.45	386.45	-	-	(0.08)	-	(0.08)	NIL	India	78.80	100.00
9	Patel KNR Infrastructures Limited	26-Jun-2006	-	INR	370.00	631.50	3,216.98	3,216.98	784.49	1,301.26	602.89	105.34	497.55	NIL	India	22.20	60.00
10	Hampus Infrastructure Limited	27-Mar-2018	-	INR	0.10	(0.49)	-	-	-	-	(0.03)	-	(0.03)	Nil	India	0.10	100.00
11	Hera Realcon Pvt. Ltd.	28-Dec-2006	-	INR	0.50	(1.77)	0.06	0.06	-	-	(0.07)	-	(0.07)	NIL	India	0.50	97.13
12	PBSR Developers Pvt. Ltd.	1-Feb-2012	-	INR	0.10	(495.30)	107.97	107.97	-	1,719.53	(242.60)	0.57	(243.17)	NIL	India	0.10	100.00
13	Arsen Infra Pvt. Ltd.	5-Sep-2006	-	INR	0.50	1.14	21.17	21.17	5.00	-	(0.12)	-	(0.12)	NIL	India	0.50	100.00
14	Patel Energy Ltd.	17-Sep-1996	-	INR	186.45	(5.64)	1,200.73	1,200.73	-	-	-	-	-	NIL	India	186.43	99.99
15	Dirang Energy Pvt. Ltd.	23-Jun-2008	-	INR	710.00	(6.88)	709.96	709.96	-	-	(1.15)	-	(1.15)	NIL	India	710.00	100.00
16	West Kameng Energy Pvt. Ltd.	26-Jun-2008	-	INR	0.10	-	225.30	225.30	-	-	-	-	-	NIL	India	0.10	100.00
17	Meyong Hydro Power Pvt. Ltd.	26-Jun-2008	-	INR	0.73	-	248.13	248.13	-	-	-	-	-	NIL	India	0.73	100.00
18	Digin Hydro Power Pvt. Ltd.	2-Jul-2008	-	INR	0.10	-	286.79	286.79	-	-	-	-	-	NIL	India	0.10	100.00
19	Saskang Rong Energy Pvt. Ltd.	19-Aug-2008	-	INR	4.78	-	224.21	224.21	-	-	-	-	-	NIL	India	4.78	100.00
20	Bellona Estate Developers Ltd.	19-Aug-2023		INR	5.10	(521.74)	30.59	30.59	-	-	110.83	-	110.83	NIL	India	4.74	92.92
21	Waterfront Developers Ltd. *	18-Jan-2007	-	1 USD= 83.3416 INR	0.16	(6.95)	0.22	0.22	0.10	-	(5.82)	-	(5.82)	NIL	Mauritius	0.16	100.00
22	Patel Engineering (Singapore) Pte Ltd.*	29-Aug-2007	-	1 USD= 83.3416 INR	197.10	(333.24)	0.72	0.72	-	-	718.87	-	718.87	NIL	Singapore	197.10	100.00

₹ in Millions

Sl. No.	Name of the Companies	Date since Subsidiary was acquired	Reporting Period for Subsidiary concerned, if different from the Holding Company's Reporting Period	Exchange rate	Issued and subscribed share capital	Reserves	Total Liabilities	Total Assets	Investments	Turnover	Proft / (Loss) before Taxation	Provision for Taxation	Proft / (Loss) after Taxation	Proposed Dividend	Country	Investments by PEL (Directly/ Indirectly)	% of Shareholding
23	Patel Engineering (Mauritius) Ltd.*	18-Jan-2007	-	1 USD= 83.3416 INR	41.67	(2.79)	39.39	39.39	38.75	-	70.60	-	70.60	NIL	Mauritius	41.67	100.00
24	Patel Engineering Inc.*	30-Sep-1999	-	1 USD= 83.3416 INR	705.68	(615.17)	90.84	90.84	0.91	-	(0.99)	-	(0.99)	NIL	USA	705.68	100.00
25	Patel Engineering Lanka (Pvt.) Ltd.	16-Jan-2012	-	1 LKR= 0.277406 INR	11.90	(37.83)	0.08	0.08	-	-	(0.17)	-	(0.17)	NIL	Srilanka	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	(270.50)	522.64	522.64	-	-	(0.12)	-	(0.12)	NIL	India	365.80	100.00
SUBSIDIARY OF ARSEN INFRA PVT. LTD.																	
27	Lucina Realtors Pvt. Ltd.	30-Dec-2006	-	INR	5.50	(0.47)	5.07	5.07	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	-	1 USD= 83.3416 INR	0.13	(1,669.01)	0.41	0.41	-	-	(1,016.65)	-	(1,016.65)	NIL	Mauritius	0.13	100.00
SUBSIDIARY OF LES SALINES DEVELOPMENT LIMITED																	
29	La Bourgade Development Ltd.*	14-Jul-2008	-	1 USD= 83.3416 INR	0.00	(3.42)	0.05	0.05	-	-	(0.32)	-	(0.32)	NIL	Mauritius	0.00	100.00
30	Ville Magnifique Development Ltd.*	14-Jul-2008	-	1 USD= 83.3416 INR	0.00	(3.21)	0.00	0.00	-	-	(0.32)	-	(0.32)	NIL	Mauritius	0.00	100.00
31	Sur La Plage Development Ltd.*	18-Jul-2008	-	1 USD= 83.3416 INR	0.00	(3.38)	0.00	0.00	-	-	(0.32)	-	(0.32)	NIL	Mauritius	0.00	100.00
SUBSIDIARIES OF PATEL ENGINEERING (SINGAPORE) PTE LTD.																	
32	PT Patel Surya Jaya *	10-Oct-2008	-	1 IDR = 0.00525 INR	14.41	(153.47)	896.73	896.73	-	-	(27.68)	-	(27.68)	NIL	Indonesia	8.64	60.00
33	PT Patel Surya Minerals *	12-Nov-2008	-	1 IDR = 0.00525 INR	14.38	67.08	229.05	229.05	-	-	(1.55)	-	(1.55)	NIL	Indonesia	8.63	60.00
34	PT Surpat Geo Minerals *	7-Apr-2011	-	1 IDR = 0.00525 INR	28.96	(29.19)	0.29	0.29	-	-	(0.01)	-	(0.01)	NIL	Indonesia	17.37	60.00
35	PT PEL Minerals Resources *	3-Feb-2009	-	1 USD= 83.3416 INR	14.48	(37.30)	40.28	40.28	28.66	-	(0.73)	-	(0.73)	NIL	Indonesia	14.48	100.00
SUBSIDIARY OF PATEL SURYA (SINGAPORE) PTE LTD																	
36	PT Surya Geo Minerals *	23-May-2011	-	1 IDR = 0.00525 INR	28.96	161.08	270.66	270.66	-	-	11.68	-	11.68	NIL	Indonesia	17.37	60.00
SUBSIDIARY OF PT PEL MINERAL RESOURCES																	
37	PT Patel Engineering Indonesia *	23-May-2011	-	1 IDR = 0.00525 INR	28.96	(15.97)	41.13	41.13	-	-	(2.17)	-	(2.17)	NIL	Indonesia	28.96	100.00
SUBSIDIARY OF PATEL ENGINEERING (MAURITIUS) LTD																	
38	Patel Mining (Mauritius) Ltd.*	12-Jun-2008	-	1 USD= 83.3416 INR	38.75	(35.29)	4.06	4.06	-	-	213.25	-	213.25	NIL	Mauritius	38.75	100.00
SUBSIDIARY OF PATEL MINING (MAURITIUS) LTD																	
39	Acoord Mines Venture Lda *	7-Jul-2007	-	1 MZN = 1.29291 INR	0.03	(4.73)	-	-	-	-	11.26	-	11.26	NIL	Mozambique	0.03	100.00
40	Patel Assignment Mozambique, Lda *	7-Jul-2007	-	1 MZN = 1.29291 INR	0.03	(2.81)	0.87	0.87	-	-	(0.36)	-	(0.36)	NIL	Mozambique	0.03	100.00
41	Chivarro Mines Mozambique Lda *	7-Jul-2007	-	1 MZN = 1.29291 INR	0.03	(2.24)	-	-	-	-	1.70	-	1.70	NIL	Mozambique	0.03	100.00
42	Enrich Mining Vision Lda *	7-Jul-2007	-	1 MZN = 1.29291 INR	0.03	(5.43)	-	-	-	-	20.26	-	20.26	NIL	Mozambique	0.03	100.00
43	Fortune Mines Concession Lda *	7-Jul-2007	-	1 MZN = 1.29291 INR	0.03	(15.56)	2.95	2.95		-	24.94	-	24.94	NIL	Mozambique	0.03	100.00

₹ in Millions

Sl. No.	Name of the Companies	Date since Subsidiary was acquired	Reporting Period for Subsidiary concerned, if different from the Holding Company's Reporting Period	Exchange rate	Issued and subscribed share capital	Reserves	Total Liabilities	Total Assets	Investments	Turnover	Proft / (Loss) before Taxation	Provision for Taxation	Proft / (Loss) after Taxation	Proposed Dividend	Country	Investments by PEL (Directly/ Indirectly)	% of Shareholding
44	Metalline Mines Works Lda *	7-Jul-2007	-	1 MZN = 1.29291 INR	0.03	(3.77)	0.08	0.08	-	-	11.26	-	11.26	NIL	Mozambique	0.03	100.00
45	Netcore Mining Operations Lda *	7-Jul-2007	-	1 MZN = 1.29291 INR	0.03	0.23	0.29	0.29	-	-	2.20	-	2.20	NIL	Mozambique	0.03	100.00
46	Omini Mines Enterprises Lda *	7-Jul-2007	-	1 MZN = 1.29291 INR	0.03	0.31	0.39	0.39	-	-	2.60	-	2.60	NIL	Mozambique	0.03	100.00
47	Patel Infrastructure, Lda *	7-Jul-2007	-	1 MZN = 1.29291 INR	0.03	(12.29)	-	-	-	-	5.66	-	5.66	NIL	Mozambique	0.03	100.00
48	Patel Mining Priviledge, Lda*	7-Jul-2007	-	1 MZN = 1.29291 INR	0.03	42.16	52.46	52.46	-	-	52.51	-	52.51	NIL	Mozambique	0.03	100.00
49	Quest Mining Activities, Lda*	7-Jul-2007	-	1 MZN = 1.29291 INR	0.03	(0.08)	0.00	0.00	-	-	2.60	-	2.60	NIL	Mozambique	0.03	100.00
50	Trend Mining Projects Lda*	7-Jul-2007	-	1 MZN = 1.29291 INR	0.03	6.29	-	-	-	-	11.26	-	11.26	NIL	Mozambique	0.03	100.00
SUBSIDIARY OF PATEL ENGINEERING INC.																	
51	ASI Global LLC*	15-Aug-2009	-	1 USD= 83.3416 INR	-	(0.05)	0.00	0.00	-		(0.91)		(0.91)	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 = 83.3416 INR

1 LKR = 0.277406 INR

1 MZN = 1.29291 INR

1 IDR = 0.00525 INR

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

Rupen Patel
Chairman & Managing Director
DIN : 00029583

Kavita Shirvaikar
Chief Financial Officer & Whole Time Director
DIN : 07737376

Shobha Shetty
Company Secretary
Mem. No: F10047

Date: May 18, 2024
Place: Mumbai

PART B: ASSOCIATES AND JOINT VENTURES

₹ in Millions

NAME OF ASSOCIATES AND JOINT VENTURES	JOINT VENTURES																			
	Hitodi Infrastructure Pvt. Ltd.	ACP Tollways Pvt. Ltd.	Age Patel JV	Patel Michigan JV	Patel SEW JV	Patel-Avantika-Deepika-BHEL	Patel - Varks - Precision Consortium	Patel - Varks - JV	Cico Patel JV	Patel KNR JV	KNR Patel JV	Era Patel Advance JV**	Patel Apco JV**	Patel Soma JV**	PEL-PPCPL-HCPL JV	Patel - UEIPL JV	PEL Gond JV	PEL Parbati JV	HES Suthaliya JV	NEC PEL JV
1. Latest Audited Balance Sheet Date	31-Mar-23	31-Mar-23	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-23	31-Mar-23	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24
2. Date on which the Associate or Joint Venture was associated or acquired	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	30-Apr-19	7-Nov-19
3. Shares of Associate or Joint Ventures held by the company on the year end:																				
No.	24,019,600	8,495,040	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount of Investment in Associates or Joint Venture (₹ in Millions)	240.196	84.95	(137.63)	2.61	819.52	21.00	1.00	1.75	70.72	(75.52)	110.47	0.43	-	126.99	-	(4.54)	0.39	(0.06)	(0.05)	(2.65)
Extent of Holding (in percentage)	49.00%	32%	49%	10%	60%	52.83%	60%	65%	99.90%	50%	49%	30%	50%	50%	51%	60%	45%	52%	45%	45%
4. Description of how there is significant influence	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	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	N.A
6. Networth attributable to shareholding as per latest audited Balance Sheet	(9,288.78)	1,821.90	(137.63)	2.61	819.52	21.00	1.00	1.75	70.72	(75.52)	110.47	0.43	-	126.99	-	(4.54)	0.39	(0.06)	(0.05)	(2.65)
7. Profit or Loss for the year: (i+ii)	(1,130.75)	79.30	2.28	0.02	42.03	(0.27)	(0.01)	(0.04)	(0.34)	(16.08)	(0.16)	-	-	-	5.90	(0.32)	(0.01)	(0.02)	(0.01)	(2.03)
i. Considered in Consolidation	(1,201.11)	79.30	2.28	0.02	42.03	(0.27)	(0.01)	(0.04)	(0.34)	(16.08)	(0.16)			-	5.90	(0.32)	(0.01)	(0.02)	(0.01)	(2.03)
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	N.A

₹ in Millions

NAME OF ASSOCIATES AND JOINT VENTURES	JOINT VENTURES																			
	Era Patel Advance Kiran JV**	Onycon Enterprise	Patel Siddhivinayak JV**	Patel VI JV	PEL Ghodke JV	Patel SA JV**	PEL ISC Prathamesh JV	ISC Projects PEL JV	Patel -Civet-Chaitra Micro(KA) JV	Ceigall - PEL (JV)**#	VPRPL-PEL JV	Mokhabardi Micro Irrigation Project JV	DK JV	PEL-PC JV	Patel Raman JV#	Patel Civet JV for TBC Pck - III &V	VKMCPL PEL JV	Raj Infra Deoghar JV	Jai Sai Constructions PEI JV	VIDPL LISI JV
1. Latest Audited Balance Sheet Date	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24
2. Date on which the Associate or Joint Venture was associated or acquired	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	7-Oct-22	13-Sep-22	15-Feb-23	6-Jan-23	11-Aug-23	14-Sep-22	14-Sep-22
3. Shares of Associate or Joint Ventures held by the company on the year end:																				
No.	-	-	-	-	-	-	-	-	-	-	-	-	0.05	-	-	-		-	-	-
Amount of Investment in Associates or Joint Venture (₹ in Millions)	1.61	8.09	0.77	(2.43)	-	(0.01)	0.00	0.09	0.11	-	-	-	(0.05)	0.15	-	-	(0.04)	-	-	0.10
Extent of Holding (in percentage)	47.06%	60%	51%	51%	51%	75%	50%	49%	51%	40%	51%	51%	51%	80%	35%	51%	35%	40%	60%	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	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	N.A
6. Networth attributable to shareholding as per latest audited Balance Sheet	1.61	8.09	0.77	(2.43)	-	(0.01)	0.00	0.09	0.11	-	-	-	-	-	-	-	(0.04)	-	-	0.10
7. Profit or Loss for the year: (i+ii)	-	(0.03)	-	0.33	-	-	0.00	0.09	0.11	-	-	-	(0.04)	(0.45)	-	-	(0.04)	-	-	(0.00)
i. Considered in Consolidation	-	(0.03)	-	0.33	-	-	0.00	0.09	0.11	-	-	-	-	-	-	-	(0.04)	-	-	(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	N.A

** Financial information is based on unaudited results

Not Commenced

For and on behalf of Board

Rupen Patel
Chairman & Managing Director
DIN : 00029583

Kavita Shirvaikar
Chief Financial Officer & Whole Time Director
DIN : 07737376

Shobha Shetty
Company Secretary
Mem. No: F10047

Date: May 18, 2024
Place: Mumbai

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.

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

Rupen Patel
Chairman & Managing Director
DIN: 00029583

May 18, 2024
Mumbai

Annexure III

Annual report on Corporate Social Responsibility (CSR) for the financial year 2023-24

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 2023-24, 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 2023-24 are local area development in and around the project site through Ambulance facilities for Local Villagers, construction of drains, relief provided to victims of wreaked havoc, Educational Aid to the kids under BPL families, Essential Commodities in Medical Dispensaries, Bus service for local people, Infrastructure Development of Schools.

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	03
3.	Ms. Kavita Shirvaikar	Whole time Director & CFO	04	04
4.	**Mr. Ashwin Parmar	Independent Non-Executive Director	NA	NA

*Mr. Rupen Patel ceased to be member of CSR Committee with effect from February 12, 2024.

**Mr. Ashwin Parmar appointed as member of CSR Committee with effect from February 12, 2024.

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/yc4mn8d3

   CSR Policy: https://tinyurl.com/ydrfpm2r

   CSR projects approved by the Board: https://tinyurl.com/44z2pr84

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.	2023-24	2,69,30,519	NIL

6. **Average net profit of the company as per section 135(5):** ₹ 582.23 million

7. (a) **Two percent of average net profit of the Company as per section 135(5):** ₹ 11.66 million

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

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

   (d) **Total CSR obligation for the financial year (7a+7b-7c):** ₹ 11.66 million

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

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1,43,32,451	NIL	Not Applicable	NIL	NIL	Not Applicable

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

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

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

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ In 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):** 1,43,32,451

(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)	11.66
(ii)	Total amount spent for the Financial Year	14.33
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2.67
(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)]	2.67

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

(₹ In Millions)

Sl. No.	Particular	3	2	1	
1.	**Preceding Financial Year.**	2022-23	2021-22	2020-21	**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 ₹)**	14.33	15.79	17.95	**48.07**
4.	**Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.** i. Name of the Fund ii. Amount (in ₹) iii. Date of transfer	Nil	Nil	Nil	**Nil**
5.	**Amount remaining to be spent in succeeding financial years. (in ₹)**	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).	Not Applicable
(b)	Amount of CSR spent for creation or acquisition of capital asset.	
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	

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

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

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

May 18, 2024
Mumbai

Annexure III (a)

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project	Amount spent for the project (in ₹)	Mode of implementation -Direct (Yes/No)	Mode of implementation - Through implementing agency	
				District & State			Name	CSR registration No.
I	**Subansiri Lower HEP**							
i	Constructing a drain and divert the water through the drain.	x	Yes	Lower Subansiri, Arunachal Pradesh	3,855,075	Yes	NA	NA
ii	Constructing a school gate	x	Yes	Lower Subansiri, Arunachal Pradesh	153,616	Yes	NA	NA
	Total (I)				**4,008,691**			
II	**Luhri HEP (Stage -1) 210MW**							
i	Construction of running tracks at Duttanagar School	ii	Yes	Shimla & Kullu, Himachal Pradesh	347,212	Yes	NA	NA
ii	Relief to be provided to victims of wreaked havoc	xii	Yes	Shimla & Kullu, Himachal Pradesh	1,000,000	Yes	NA	NA
iii	Educational Aid to the kids under BPL families	ii	Yes	Shimla & Kullu, Himachal Pradesh	283,850	Yes	NA	NA
iv	Essential Commodities in Medical Dispensaries of Project affected Panchayats of LHEP (Stage-1) 210MW	i	Yes	Shimla & Kullu, Himachal Pradesh	160,550	Yes	NA	NA
	Total (II)				**1,791,612**			
III	**Kwar HEP (540 MW)**							
i	Construction of Cultural cum Library Hall	ii	Yes	Kishtwar, Jammu & Kashmir	400,000	Yes	NA	NA
ii	Ambulance facilities for Local Villagers	i	Yes	Kishtwar, Jammu & Kashmir	307,359	Yes	NA	NA
	Total (III)				**707,359**			
IV	**KIRU HEP**							
i	Ambulance facilities for Local Villagers	i	Yes	Kishtwar, Jammu & Kashmir	826,753	Yes	NA	NA
ii	Bus service for local people	ii	Yes	Kishtwar, Jammu & Kashmir	1,957,973	Yes	NA	NA
iii	Infrastructure Development of Schools	ii	Yes	Kishtwar, Jammu & Kashmir	700,000	Yes	NA	NA
iv	Maglumi 800 Fully Auto Chemiluminescence Analyzer & Musical Instruments	i, ii	Yes	Kishtwar, Jammu & Kashmir	817,406	Yes	NA	NA
	Total (IV)				**4,302,132**			

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	
				District & State			Name	CSR registration No.
V	**IRCON T-15 (USBRL T 15)**							
i	Providing equipments to strengthen the cultural wing	v	Yes	Ramban, Jammu & Kashmir	867,053	Yes	NA	NA
ii	Supply of construction material to develop school infrastructure	x	Yes	Ramban, Jammu & Kashmir	381,104	Yes	NA	NA
	Total (V)				**1,248,157**			
VI	**Ladakh Phandey Tsogspa**							
i	sewing & carpet centre	ii	Yes	Leh, Ladakh	400,000	No	Ladakh Phandey Tsogspa	CSR00040278
	Total (VI)				**400,000**			
VII	**Sreshth Foundation**							
i	Rest Rooms and Lavatory in Government Schools	ii	Yes	Hyderabad	1,000,000	No	Sreshth Foundation	CSR00048714
	Total (VII)				**1,000,000**			
VIII	**Kundah Pumped Storage Hydroelectric Project**							
i	Adoption of government school in Nilgiris	ii	Yes	Nilgiri, Tamil Nadu	600,000	Yes	NA	NA
	Total (VIII)				**600,000**			
IX	**Parnai**							
i	For constructing Footpath Bridge	x	Yes	Poonch, Jammu & Kashmir	274,500	Yes	NA	NA
	Total (IX)				**274,500**			
	TOTAL (I+II+III+IV+V+VI+VII+VIII+IX)				**14,332,451**			
	TOTAL SPENT				**14,332,451**			

Annexure IV

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

for the Financial Year Ended March 31, 2024

[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),
Mumbai - 400102, Maharashtra, India

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'). The 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 require that the Auditor 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 from April 01, 2023 to March 31, 2024 ('the audit period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanisms in place to the extent and in the manner reporting made hereinafter:

(i) The Companies Act, 2013 ("the Act") and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment and Foreign Direct Investment **(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 ("the 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)** and

h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018. **(Not applicable to the Company during the audit period)**

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

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

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

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

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 the test-check basis, the Company has generally complied with The Real Estate (Regulations and Development) Act, 2016 applicable specifically to the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards etc. mentioned above except the Administrative warning letter issued by SEBI w.r.t., 3 days delay in conducting Risk Management Committee Meeting as per Regulation 21(3C) of SEBI Listing Regulation.

We further report that

The Board of Directors of the Company is duly constituted with the 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 was given to all directors to schedule Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance. 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 Committees of the Board, as the case may be.

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

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

1. Approved the proposal to raise funds through the issuance of Equity Shares to Qualified Institutional Buyers on March 08, 2024 for an aggregate amount of upto ₹ 5,000 million.
2. Disinvestment of equity stake held by the Company in Michigan Engineers Private Limited.

For MMJB & Associates LLP
Company Secretaries

Deepti Joshi
Designated Partner
FCS: 8167
CP: 8968
PR: 2826/2022
UDIN: F008167F000396071

Date: May 18, 2024
Place: Mumbai

Annexure 'A'

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

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

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

For MMJB & Associates LLP
Company Secretaries

Deepti Joshi
Designated Partner
FCS: 8167
CP: 8968
PR: 2826/2022
UDIN: F008167F000396071

Date: May 18, 2024
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, 2024.

(A) Conservation of Energy

"Energy conservation'' means reduction in consumption of energy that is used for different purposes. Company is continuing with the following measures towards energy saving along with utilization of alternate sources 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 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 duel power tunnel mucking loaders in tunnels thus reducing CO_2 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 CO_2 emission.
- Centralized & synchronized silent DG units with high voltage transmission adopted for load sharing and efficient power utilization besides mitigating noise pollution.
- 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 off lights & computer monitors whenever not used; use of LED lights, use of advanced Speed Step power management, etc).
- Construction of 1200m long tunnel for transportation of boulders from Primary Crusher to Secondary & Tertiary Crushers through conveyor belts instead of transporting by dumpers, thus saving cost, energy & reducing CO2 in addition to effective dust control.
- Construction of 280m long tunnel for carrying dam concrete through conveyor belt & feeding directly to Tower Belt Concrete Placement System.

(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 upgraded keeping abreast with state-of-art technology through New Austrian Tunneling Method (NATM).
- Effective implementation of 5-P concept of tunnelling for geologically unstable zones.
- Optimization of design 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.
- Continual improvement in drilling and blasting pattern requiring less explosives and lessening the blast zone radius.

- 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 wastage resulting from crushing of aggregates after due processing to render minimal environmental impact.

ii. Benefits derived from technology absorption

- Optimization of design and construction methodology leading to improved progress with consequent saving in time and cost.
- Improved efficiency
- Enhanced quality
- Optimal utilization of resources viz. manpower and macines.

iii. Technology absorption

- Use of FEM technique for optimized design of various project components at two projects viz (a) Shongtong-Karcham Hydroelectric Project & (b) Parnai Hydroelectric Project, since 2013 – ongoing, technology being adapted.
- Tunneling with Earth Pressure Balancing TBM at Sleemnabad Carrier Canal & Tunnel Project, since 2011 – ongoing, technology being adapted.
- Use of Non – Destructive Testing Method for assessment of geological formation and material testing.
- Use of duel power tunnel mucking loaders to reduce the mucking time in Railway tunnel Projects in J&K.
- Use of Steel Fibre Reinforced Concrete in tunnel lining instead of RCC (Reinforced Cement Concrete); thus saving in wastage of reinforcement, time & cost.
- Use of Tower Belt System for rapid mass concrete placement in the Dam body in place of conventional tower crane with bucket arrangement and maintaining the specified thermal controls while achieving higher lift thickness.
- Hydro-cyclone arrangement in tertiary crushing plant has been effectively deployed to separate out silt from the fine aggregate.

(C) Foreign exchange earnings and outgo

Foreign Exchange Earnings and Outgo during the year under review were ₹ 581.84 million (previous year ₹ 3.86 million) and ₹ 1,003.37 million (previous year ₹ 216.60 million) respectively

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

Rupen Patel
Chairman & Managing Director
DIN: 00029583

May 18, 2024
Mumbai

Annexure VI

Particulars of Employees

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

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

Sr. No.	Disclosure Requirement	Disclosure details		
1	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.	**Directors**	**Title**	**Ratio**
		Mr. Rupen Patel	Managing Director	74.12
		Mr. Sunil Sapre	Whole Time Director	42.97
		Ms. Kavita Shirvaikar	Whole Time Director & CFO	34.46
		Mr. Tirth Nath Singh	Whole Time Director, Projects and Corporate Affairs	8.67
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	16%
		Mr. Sunil Sapre	Whole Time Director	9%
		Ms. Kavita Shirvaikar	Whole Time Director & CFO	31%
		Mr. Tirth Nath Singh	Whole Time Director, Projects and Corporate Affairs	6%
		Ms. Shobha Shetty	Company Secretary	21%
3	Percentage increase in the median remuneration of employees in the financial year.	5.16%		
4	Number of permanent employees on the rolls of the Company at the end of the year.	4,580 as on March 31, 2024		
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 2023-24 over 2022-23 is 19.325%, the corresponding average remuneration increase for other employee's is 4.93%		
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.		

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

Rupen Patel
Chairman & Managing Director
DIN: 00029583

May 18, 2024
Mumbai

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, 2024, 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 2023-24 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, 2024 are as under:

Name and DIN of the Directors	Category of Director	No. of Board Meetings		Attendance at the last AGM held on September 08, 2023	No. of directorships in other Companies	Name of other listed entities where directorship held & category	*Committee Positions	
		Held	Attended				Chairman	Member
Mr. Rupen Patel CMD (DIN : 00029583)	Executive (Promoter)	5	5	Yes	3	Nil	Nil	Nil
Mr. Kuppusubramanian Ramasubramanian (DIN : 01623890)	Independent Non-Executive	5	5	Yes	3	1. Patel KNR Infrastructures Limited – Independent Director	2	4
Ms. Kavita Shirvaikar (DIN : 07737376)	Executive	5	5	Yes	7	1. Patel KNR Infrastructures Limited – Executive Director 2. Patel KNR Heavy Infrastructures Limited – Non-Executive Director	Nil	2
Dr. Sunanda Rajendran (DIN: 00381885)	Independent Non-executive	5	5	Yes	4	1. Patel KNR Infrastructures Limited – Independent Director	Nil	2
Mr. Shambhu Singh (DIN: 01219193)	Independent Non-executive	5	5	Yes	4	1. C.E. Info Systems Limited - Independent Director	1	2
Mr. Ashwin Parmar (DIN: 00055591)	Independent Non-executive	4	4	Yes	1	Nil	Nil	2
#Mr. Tirth Nath Singh (DIN: 08760833)	Executive	1	1	NA	Nil	Nil	Nil	Nil

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

#Mr. Tirth Nath Singh resigned from the Company effective from May 3, 2024, to pursue new avenues.

- The Board met 5 times during the FY 2023-24 i.e., on April 20, 2023; May 15, 2023, August 10, 2023; November 03, 2023 and February 12, 2024.

- 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.
- Except, Mr. Ashwin Parmar – Independent Director of the company who holds 25,908 Equity Shares in the company, other Non-Executive directors neither hold any convertible instruments nor any Equity shares in the Company as on March 31, 2024.
- 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/52an7w5m
- 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 and policies applicable to the organisation/ industry/ sector and level/ status of compliances; the best corporate governance practices, relevant governance codes, governance structure, processes and practices; business ethics, ethical policies, codes and practices of the organization; the structures and systems which enable the organisation to effectively identify, asses and manage risks and crises and bench mark global practices.
2.	Functional Expertise	Should possess ability to obtain, analyse, interpret and use data/information effectively to develop plans and take appropriate decisions with respect to interpretation of financial statements and accounts in order to assess the financial health of an organization; build operational excellence by constantly focusing on upgrading methods, technology, costs, quality. Monitor/review performance for better results and focus on a culture for zero tolerance; maximize technology usage to create robust processes, minimize ambiguity & encourage inter-dependence and seamless working across departments and assess the costs & risks involved with regard to existing & potential business proposition, while evaluating the sources of finance available to an organisation vis-à-vis their related merits and risks.
3.	Behavioural Competencies	Should display highest standards of values & personal conduct, ability to assume ownership & accountability for own performance, working effectively, respectfully & inclusively with people from different backgrounds with different perspectives, while remaining calm & optimistic even under adverse circumstances & taking tough decisions when necessary.
4.	Strategic Orientation	Ability to identify vision and value creation and seize opportunities for short & long-term business growth, bring in new insights & innovative ways to build robust execution plans for implementing.
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.

Sr. No.	Experience / Expertise / Attribute	Comments
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. K. Ramasubramanian	✓		✓		✓	✓
Dr. Sunanda Rajendran	✓		✓		✓	✓
Mr. Shambhu Singh	✓		✓		✓	✓
Mr. Ashwin Parmar	✓	✓	✓		✓	✓
Mr. Tirth Nath 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 2023-2024	
	Held	Attended
Mr. K. Ramasubramanian, Chairman	4	4
Mr. Rupen Patel	4	4
#Dr. Barendra Kumar Bhoi	2	2
*Mr. Ashwin Parmar	2	2

#Dr. Barendra Kumar Bhoi ceased to be member of the Audit Committee with effect from August 13, 2023 upon completion of his tenure as Independent Director.

*Mr. Ashwin Parmar, Independent Director was appointed to be member of the Audit Committee with effect from August 14, 2023.

The Chairman of the Audit Committee was present at the last Annual General Meeting (AGM) held on September 08, 2023.

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

(c) Audit Committee meetings during the year

The Audit Committee met 4 times during the FY 2023-24 i.e. on May 15, 2023, August 10, 2023, November 03, 2023 and February 12, 2024. 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 2023-24	
	Held	Attended
Mr. K Ramasubramanian, Chairman	4	4
Mr. Rupen Patel	4	4
$Dr. Barendra Kumar Bhoi	2	2
*Mr. Ashwin Parmar	2	2
#Dr. Sunanda Rajendran	2	2

$Dr. Barendra Kumar Bhoi ceased to be member of the Nomination and Remuneration Committee with effect from August 13, 2023,

*Mr. Ashwin Parmar appointed to be member of the Nomination and Remuneration Committee with effect from August 14, 2023.

#Dr. Sunanda Rajendran appointed to be member of the Nomination and Remuneration Committee with effect from August 14, 2023.

The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting (AGM) held on September 08, 2023.

(c) Nomination and Remuneration Committee Meetings during the FY 2023-24.

The Nomination and Remuneration Committee met four times during the FY 2023-24 i.e. on April 20, 2023, August 10, 2023, November 03, 2023 and February 12, 2024. The necessary quorum was present for all 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

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

(b) The criteria of making payments to Non-Executive Directors are in terms of the Remuneration Policy of the Company and the said Policy is annexed to the Board's Report and also available on the website of the Company by following this link: https://tinyurl.com/ys2xtmv7

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 2023-24 are as under:

Name	Sitting fees (₹ In millions)
Mr. K. Ramasubramanian	0.73
Mr. Ashwin Parmar (effective from April 20, 2023.)	0.35
Dr. Sunanda Rajendran	0.30
Mr. Shambhu Singh	0.25
Dr. Barendra Kumar Bhoi (upto August 13, 2023)	0.33

(b) 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	#Mr. Tirth Nath Singh Executive Director
Salary	39.88	26.88	7.28	5.42
Perquisites	9.30	1.64	0.21	0.33
Total (Gross Salary)	49.18	28.52	7.49	5.75
Service Contract	01-04-2019 to 31-03-2024	01-04-2022 to 31-03-2027	01-04-2022 to 31-03-2027	03-11-2023 to 02-11-2026
Notice Period	3 months	3 months	3 months	3 months
Option exercised during the year	NA	-	-	-

*Mr. Sunil Sapre ceased to be Whole Time Director of the company with effect from October 13, 2023.

#Mr. Tirth Nath Singh was appointed as Whole Time Director – Projects & Corporate Affairs of the Company effective from November 3, 2023.

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, 2024 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
Dr. Sunanda Rajendran	Independent Director	-	-
Mr. Shambhu Singh	Independent Director	-	-
Mr. Ashwin Parmar	Independent Director	25, 908	Negligible
Mr. Tirth Nath Singh	Whole time Director	-	-

(6) Stakeholders' Relationship Committee:

(a) The Stakeholder's Relationship Committee met once during the financial year i.e. on May 12, 2023.

(b) Mr. K. Ramasubramanian, the Independent Non-executive Director chairs this Committee. Other Members being Ms. Kavita Shirvaikar Executive Director and Mr. Ashwin Parmar, Independent Non-Executive Director.

(c) Ms. Shobha Shetty is the Company Secretary and Compliance officer of the Company.

(d) Based on the report received from Link Intime India Private Limited, the Registrar & Share Transfer Agent, the Company has received 4 complaints during the year ended March 31, 2024 and the same have been resolved.

(e) Number of complaints not solved to the satisfaction of shareholders: Nil

(f) Number of pending complaints - Nil

(7) Risk Management Committee (RMC)

(a) Terms of Reference of RMC

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

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

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

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

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

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

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

(b) Composition, name of members/chairperson, meeting & attendance of RMC

The Risk Management Committee met twice during the FY 2023-24 i.e. on May 12, 2023 and November 06, 2023. 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, Chairman	2	2
Ms. Kavita Shirvaikar, Whole time Director & CFO	2	2
*Mr. Sunil Sapre, Whole time Director	1	1
Mr. Koushik Chakraborty, Additional Vice President (Accounts)	2	1

*Mr. Sunil Sapre ceased to be associated with the company with effect from October 13, 2023.

(8) Senior Management

Particulars of Senior Management Personnel (SMP) including the changes therein since the close of the FY 2022-23.

Sr No.	Name	Designation
1.	Kavita Shirvaikar	Whole Time Director & CFO
2.	Shobha Shetty	Company Secretary
3.	Sharad Kumar	Executive Vice President
4.	Tirth Nath Singh^	Head Projects (Special Projects)
5.	Priti Patel	Senior Vice President (Business Development)
6.	Vinod Chandnani	Chief Information officer
7.	Anuran Ghatak	Vice President (Plant & Equipment)
8.	Chengalva Roy Iruganti*	Vice President (Contracts)
9.	Sonal Raj	Additional Vice President (Human Resources)
10.	B. R. Sharma	Additional Vice President (Insurance)
11.	Amitava Chakraborty	Additional Vice President (Material Management)
12.	K. L. Daga	Head – International Claims & Legal
13.	Sadashiv Nayak#	Senior Vice President (Business Development & Tendering)
14.	James Kurian	Vice President (Tendering and Estimation)
15.	Sibatosh Debnath	Senior Vice President (Design & Engineering)
16.	Balraj Vanwari@	Head - Legal
17.	Hiten Sampat$	General Counsel

^ Elevated to Whole Time Director (WTD) effective from November 3, 2023 and further resigned as WTD effective from May 3, 2024.

*ceased to be SMP effective from March 1, 2024 due to resignation.

#ceased to be SMP effective from May 4, 2023 due to resignation.

@ceased to be SMP effective from June 30, 2023 due to resignation.

$appointed as SMP effective from July 1, 2023.

(9) General Body meetings

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

Financial Year	Date	Time	Venue
2020-21	September 15, 2021	11.30 am	Annual General Meeting held through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM")
2021-22	August 26, 2022	11.30 am	
2022-23	September 08, 2023	11.30 am	

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

i. AGM on September 15, 2021

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

ii. 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

iii. AGM on September 08, 2023

- Re-appointment of Mr. Rupen Patel as Managing Director

iv. Extra-Ordinary General Meeting (EGM) on March 8, 2024

- To consider and approve raising of funds through issuance of Equity Shares to Qualified Institutional Buyers

(c) The Company has passed Resolutions through Postal Ballot on May 25, 2023 vide notice dated April 20, 2023 for approving following Special Resolutions:

Description of the resolution	Voting pattern	
	Votes in favour	Votes against
Appointment of Ms. Sunanda Rajendran (DIN: 00381885) as a Director and Re-appointment as an Independent Director of the Company for second term.	99.86%	0.14%
Appointment of Mr. Shambhu Singh (DIN: 01219193) as an Independent Director	99.86%	0.14%
Appointment of Mr. Ashwin Parmar (DIN: 00055591) as an Independent Director	99.86%	0.14%
Alteration in the Articles of Association of the company	99.85%	0.15%

Makarand M. Joshi (Membership No. FCS 5533) (CP No. 3662) failing him Ms. Kumudini Bhalerao (Membership No. FCS 6667) (CP No. 6690), Partners of M/s. Makarand Joshi & Co., Practicing Company Secretaries, were appointed as Scrutinizer for conducting the Postal Ballot.

(d) The Company has passed Resolutions through Postal Ballot on January 03, 2024 vide Notice dated November 03, 2023 for approving Special Resolutions:

Description of the resolution	Voting pattern	
	Votes in favour	Votes against
Re-Appointment of Mr. Shambhu Singh (DIN: 01219193) as an Independent Director for second term	99.69%	0.31%
Appointment of Mr. Tirth Nath Singh (DIN: 08760833) as a Whole Time Director	99.67%	0.33%

Mr. Omkar Dindorkar (CP No. 24580) failing him Ms. Deepti Kulkarni (CP No. 22502), Partners of M/s. MMJB & Associates LLP, Practicing Company Secretaries, were appointed as Scrutinizer for conducting the Postal Ballot.

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 from time to time.

(10) 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 financial results are published in Financial Express/ Business Standard in English Language and in Navshakti/Sakal in Marathi Language.

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

(11) General Shareholder information

(a) Annual general meeting: – date, time and venue: Friday, September 13, 2024 at 11.30 am through Video Conferencing ("VC") / other Audio-Visual Means ("OAVM")

(b) Financial year: April 1, 2023 to March 31, 2024

(c) Dividend payment date: NA

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

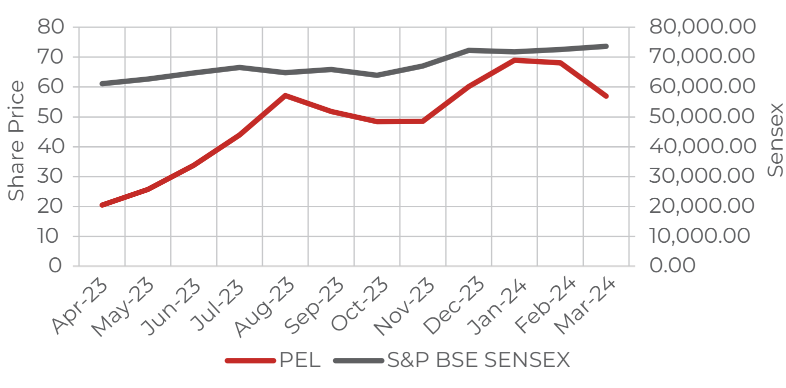
Name of the Stock Exchange	Address of the Stock Exchange	Stock codes (Equity Shares): Trading Symbol
BSE Limited (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	531120
National Stock Exchange of India Limited (NSE)	Exchange Plaza, C-1, Block G, BandraKurla Complex, Bandra (E), Mumbai 400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

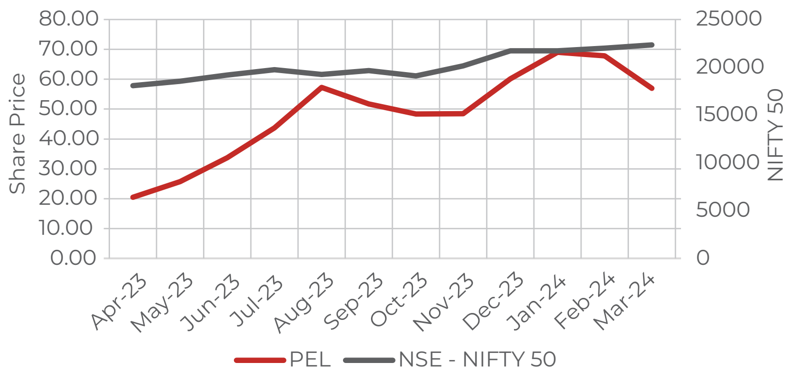
The Company confirms payment of annual listing fees to these Stock Exchanges for the financial year 2024-25.

(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 2023-24 on BSE and NSE are under :

Month	BSE			NSE		
	High (₹)	Low (₹)	Total No. of Shares Traded	High (₹)	Low (₹)	Total No. of Shares Traded
Apr-23	21.11	14.61	40,201	21.10	14.65	1,71,449
May-23	29.7	20.05	68,677	29.70	20.05	4,30,138
Jun-23	33.81	25.65	25,265	33.75	25.60	86,726
Jul-23	50.29	32.12	63,084	49.95	32.10	2,16,237
Aug-23	62.11	43.80	121391	62.00	44.00	3,82,458
Sep-23	60.00	48.83	77,077	59.85	48.80	3,15,400
Oct-23	53.49	41.99	51,016	53.45	42.05	1,98,474
Nov-23	55.06	46.1	53,048	55.20	46.35	1,94,229
Dec-23	69.74	48.61	1,40,047	69.70	48.65	5,41,614
Jan-24	70.74	58.2	1,04,344	70.75	58.20	4,53,791
Feb-24	79.00	64.1	1,52,480	79.00	63.95	7,80,244
Mar- 24	71.5	51.00	99,579	71.60	51.05	3,67,180

(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.

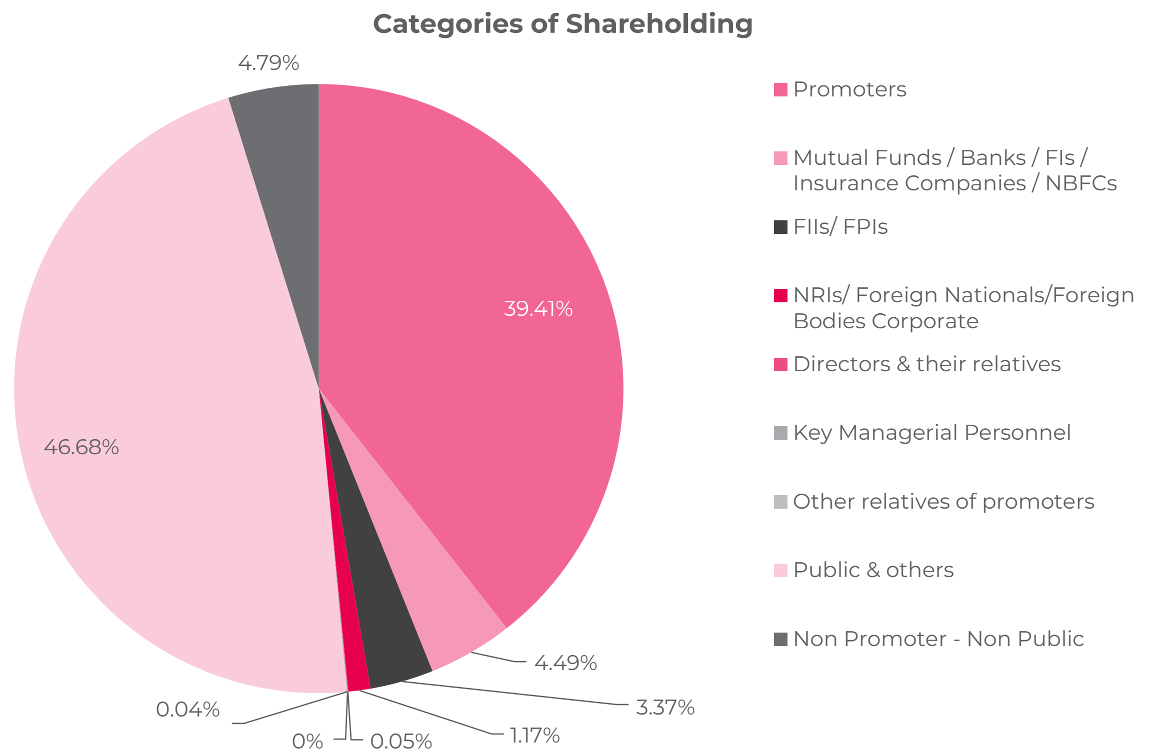
(i) **Distribution of shareholding as on March 31, 2024:**

No. of shares	No. of Shareholders	% of Shareholders	Number of Shares held	% to Shares held
1-500	2,00,067	75.31	2,79,14,657	3.61
501-1000	27,837	10.48	2,30,39,736	2.98
1001-2000	16,353	6.16	2,54,86,202	3.29
2001-3000	6,325	2.38	1,64,48,770	2.13
3001-4000	2,991	1.13	1,08,83,440	1.41
4001-5000	3,066	1.15	1,46,72,330	1.90
5001-10000	4,673	1.76	3,57,39,282	4.62
Above 10001	4,314	1.63	61,94,32,811	80.06
Grand Total	**2,65,626**	**100**	**77,36,17,228**	**100**

Shareholding Pattern as on March 31, 2024

Category	No. of shares	% of Total Holding
Promoters	30,49,17,712	39.41
Mutual Funds / Banks / FIs / Insurance Companies / NBFCs	3,47,73,095	4.49
FIIs/ FPIs	2,60,49,772	3.37
NRIs/ Foreign Nationals/Foreign Bodies Corporate	90,84,284	1.17
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	36,10,11,645	46.68
Non Promoter - Non Public	3,70,94,240	4.79

GRAND TOTAL	77,36,17,228	100



(j) **Dematerialization of shares and liquidity:** The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity shares representing 99.94% of the Company's share capital are dematerialized as on March 31, 2024.

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.** The Company has not made any allotment of Equity shares during FY 2023-24.

(l) **Commodity price risk or foreign exchange risk and hedging activities:** Price Escalation of most of the materials are passed onto the clients based on contract conditions hence the company doesn't undertake any hedging activities for the same. As regard other foreign currency liabilities are concern, the company decides to undertake hedging after considering amount involved, period and market conditions. Further, the Company has not obtained any foreign currency loans. Hence, the Company is not exposed to any such risks.

(m) **Plant locations:** Not Applicable

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

The Company Secretary & Compliance Officer. Patel Engineering Limited Patel Estate Road, Jogeshwari (West), Mumbai – 400 102. Tel: +91 22 26767500 Fax: +91 22 26782455/ 26781505 E-mail: investors@pateleng.com	Link Intime India Private Limited Unit: Patel Engineering Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 Tel No: +91 22 49186000 Fax: +91 22 49186060 E-mail id : rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

(o) **Credit ratings:**

i. Acuité Ratings & Research Limited has revised and upgraded the Credit rating as follows:

Type of Credit Rating	Existing Rating	Revised/ New Rating
Long term Ratings (Cash Credit, Term Loan, Working Capital Term Loan)	ACUITE BBB	ACUITE BBB+
Short Term Rating (Letter of Credit/ Bank Guarantee)	ACUITE A3+	ACUITE A2

ii. Infomerics Valuation and Rating Private Limited has assigned the Credit rating as follows

Type of Credit Rating	Revised/ New Rating
Long term Ratings (Cash Credit, Term Loan, Working Capital Term Loan, OCD)	IVR BBB+
Short Term Rating (Letter of Credit/ Bank Guarantee)	IVR A2

(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.

(12) Other Disclosures:

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

(b) For FY 2023-24: The Company has received administrative warning letter from SEBI w.r.t Risk Management Committee ('RMC') meeting which was held on November 10, 2022, and subsequently on May 12, 2023, thereby resulting in a gap of 183 days (instead of 180 days) between two consecutive RMC Meetings. The Board of Directors of the Company noted this letter vide its meeting dated February 12, 2024.

(c) 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.

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

(e) There have been no instances where the Board has not accepted recommendation of any Committee of the Board during the financial year.

(f) The Material subsidiaries policy weblink: https://tinyurl.com/235xsrxw

(g) The related party policy web link: https://tinyurl.com/2p94jfyw

(h) During the year ended March 31, 2024, a total fees for all services paid by Company on a consolidated basis to the statutory auditor of the Company is ₹ 9.38 million. Service has been provided by M/s. Vatsaraj & Co., the statutory auditor of the Company to Company's subsidiary/associate/ joint venture. Hence fees paid from any such subsidiary/associate/joint venture to the statutory auditor is ₹ 0.28 million.

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

(i) The Company and its subsidiaries have not made any loans to firms/companies in which directors are interested.

(j) The Company does not have any material subsidiary.

(k) 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.

(l) 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.

(m) Disclosure of certain types of agreements binding listed entities - Information disclosed under clause 5A of paragraph A of Part A of Schedule III of these regulations. – Not Applicable

(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 CMD 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 declared that for the financial year ended March 31, 2024, 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 18, 2024
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, D and E 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, 2024. 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, 2024, 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

Dr. CA B. K. Vatsaraj
Partner
M. No. 039894
UDIN: 24039894BKHIAI4442

Mumbai, 18th May 2024

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 includes 37 unincorporated joint operations accounted on proportionate basis (the "Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as the "Group") the Group's share of profit in its associates, which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss (including the of Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date, and Notes to the Financial statements, including a summary of material accounting policies and other explanatory information. These also include financials of the Real Estate Division Branch of the company for the year ended on that date audited by the branch auditor of the Company's branch located at Mumbai.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the joint operations, subsidiaries and associates referred to in the Other Matters section below, 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 March 31, 2024, and their consolidated profit, their consolidated comprehensive income, their consolidated cash flows and their consolidated changes in equity 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 Consolidated Financial Statements section of our report. We are independent of the Group and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI"), together with the ethical requirements that are relevant to our audit of the Consolidated Financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in term of their reports 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 Consolidated Financial Statement of the Group for the year ended March 31, 2024 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.

2. The Independent Auditors of Dirang Energy Private Limited ('DEPL'), have without qualifying their audit report dated May 14, 2024 on the financial statements for the year ended March 31, 2024 have drawn attention to Note No. 11 of the Dirang Energy Private Limited ('DEPL') which indicates that the project of the DEPL has been temporarily stopped. However, based on the management estimate to get a 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 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 of the current financial year. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr No	Key Audit Matter	Auditors Response
1	**Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers"** The application of the revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, the revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. Refer notes 1. k and 26 to the Consolidated Financial Statements	**Principal Audit Procedures** Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • Evaluated the design of internal controls relating to implementation of the revenue accounting standard. • Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, performance and inspection of evidence in respect of operation of these controls. • Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the revenue accounting standard • Selected a sample of continuing and new contracts and performed the following procedures: • Read, analyzed and identified the distinct performance obligations in these contracts. • Compared these performance obligations with that identified and recorded by the Company. • Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation • Samples in respect of revenue recorded for time and material contracts were tested using a combination of customer acceptances, subsequent invoicing and historical trend of collections and disputes. • Performed analytical procedures for reasonableness of revenues disclosed.
2	**Accounting of contract work-in-progress for engineering construction projects** The company recognized contract revenue and contract costs from contract work-in-progress for engineering construction projects by reference to the stage of completion of the contract activity at the end of each reporting period. The stage of completion is measured by reference to work performed. The accounting for such engineering construction projects is complex due to high level of estimation in determining the costs to complete. This is due to the nature of the operations, which may be impacted by the technological complexity of projects, the precision of cost estimation during the budgeting process and the actual progress of each project during the financial year. Accordingly, the accounting of contract work-in progress for engineering construction projects is identified as a key audit matter. Refer notes 1.j and 10 to the Consolidated Financial Statements.	**Principal Audit Procedures** Our audit procedures included the following: • Review of contract terms and conditions and the contractual sums and substantiated project revenues and costs incurred against underlying supporting documents. • Perused customers and subcontractor correspondences and discussed the progress of the projects with project managers for any potential disputes, variation order claims, known technical issues or significant events that could impact the estimated contractual costs. • Analyzed changes in estimates of costs from prior periods and assessed the consistency of these changes with progress of the projects during the year

3	Valuation of claims under settlement	Principal Audit Procedures
	The Company has certain significant open legal proceedings under arbitration for various complex matters with the Clients and other parties, continuing from earlier years, which are as under: • Non acceptance of certain work by the client. • Cost overruns in certain contracts. • Reimbursement of the cost incurred by the company for the client. Due to complexity involved in these litigation matters, the recognition of claims/variations are included in revenues when it is highly probable of recovery based on estimate and assessment of each item by the management based on their experience of recovery. Refer notes 1 k and 26 to the Consolidated Financial Statements	Our audit procedures included the following: • Assessing the procedures implemented by the Company to identify and gather the risks it is exposed to. • Obtaining an understanding of the risk analyses performed by the Company, with the relating supporting documentation, and studying written statements from internal and external legal experts, where applicable. • Discussion with the management on the development in these litigations during the year ended March 31, 2024. • 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 Parent'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, Standalone financial statements and our auditor's report thereon.

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, compare with the financial statements of the joint operations, subsidiaries, and associates audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Responsibility of Management for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associates 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 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 Financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent, as aforesaid.

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 the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to Consolidated Financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and of its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated 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 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 or business activities included in the Consolidated Financial Statements, which we are the independent auditor.

  For the other entities included in the Consolidated Financial Statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

Other Matters

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

   i. The real estate division, included in the Standalone Financials Statement, whose financial information reflects Total assets of ₹ 5,215.57 Million as at March 31, 2024, total revenues of ₹ 214.24 Million, Total Profit after tax (net) ₹ 740.08 Million, total comprehensive income of ₹ 740.08 Million for the year ended March 31, 2024 respectively, as considered in the Standalone Financials Statement. The financial information of this real estate division has been audited, as applicable, by the branch auditor whose reports have been furnished to us by the Parent's Management of the Company, and our opinion and conclusion in so far as it relates to the amounts and disclosures included in respect of these real estate division is based solely on the reports of such other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.

ii. 30 joint operations included in the Standalone Financials Statement, whose financial information reflects total assets of ₹ 4,321.96 Million as at March 31, 2024 and Company's Share in total revenues of ₹ 12,583.98 Million, total net profit/(loss) after tax of ₹ (11.14) Million, total comprehensive income of ₹ (11.14) Million for year ended March 31, 2024 respectively, as considered in the Standalone Financials Statement. The financial information of these joint operations have been audited, as applicable, by the other auditors whose reports have been furnished to us by the Parent's Management of the Company, and our opinion and conclusion in so far as it relates to the amounts and disclosures included in respect of these joint operations, is based solely on the reports of such other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above

iii. 21 subsidiaries included in the Consolidated Financials Statement, whose financial information reflect net total assets of ₹ 6,831.05 Million as at March 31, 2024, total revenues of ₹ 3,262.77 Million, total net profit/(loss) after tax of ₹ 208.54 Million, total comprehensive income of ₹ 382.70 Million and net cash inflows amounting to ₹ 11.57 Million for the year ended March 31, 2024. The financial information of these subsidiaries have been audited, as applicable, by the other auditors whose reports have been furnished to us by the Parent's Management of the Company, and our opinion and conclusion on the Consolidated Financials statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries , is based solely on the reports of such other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above

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

i. 6 unincorporated joint operations included in the Standalone Financials statement, whose financial information reflect total assets of ₹ 220.56 Million as at March 31, 2024, Company's Share in total revenue is ₹ Nil, total Profit/(loss) after tax of ₹ Nil and total comprehensive income of ₹ Nil for the year ended March 31, 2024. This financial information are unaudited and have been furnished to us by the Parent's Management and our opinion and conclusion on the Consolidated Financials Statement, in so far as it relates to the amounts and disclosures included in respect of these joint operation, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, this financial information is not material to the Group.

ii. 4 subsidiaries included in the statement, whose financial statements reflect net total assets of ₹ 3,339.66 Million as at March 31, 2024, total revenues of ₹ 1,874.16 Million, total net profit/(loss) after tax of ₹ 1,552.07 Million, total comprehensive income of ₹ 1,544.41 Million and net cash outflow amounting to ₹ 8.04 Million for the year ended March 31, 2024. This financial information are unaudited and have been furnished to us by the Parent's Management and our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, this financial information is not material to the Group.

iii. 3 associates, whose financial information's reflect Groups share of net profit after tax of ₹ 18.65 Million and total comprehensive income of ₹ 18.65 Million for the year ended March 31, 2024. This financial information are unaudited and have been furnished to us by the Parent's Management and our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these associates, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, this financial information is not material to the Group.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (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, based on our audit and on the consideration of the reports of the other auditors on the separate financial information of the joint operations, subsidiaries and associates referred to in the Other Matters section above we report, to the extent applicable, that

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the Consolidated Financial Statements;

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act;

e) On the basis of the written representations received from the directors of the Parent as on March 31 , 2024 taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on March 31, 2024 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 with reference to Consolidated Financial Statement and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" which is based on the auditors' reports of the Parent, subsidiary companies and associate companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to Consolidated Financial Statements of those Companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of 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 and based on the auditor's reports of subsidiary companies and associate companies incorporated in India, the remuneration paid by the Parent and such subsidiary companies and associate companies to their respective 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 Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates (Refer Note 43 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 Parent and its subsidiaries and associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries, and associates respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kinds of funds) by the Parent 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 Parent 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 Parent and its subsidiaries, and associates which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us and to 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 Parent 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 Parent 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 subsidiaries, and associates which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice, that has caused us or the other 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.

vi. Based on our examination which included test checks and based on the other auditor's reports of its subsidiary companies, associate companies and joint operations incorporated in India whose financial statements have been audited under the Act, the Parent Company, its subsidiary companies, associate companies and joint operations incorporated in India have used accounting software(s) for maintaining their respective books of account for the financial year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software(s).

Further, during the course of audit, we and respective other auditors, whose reports have been furnished to us by the Management of the Parent Company, have not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For Vatsaraj & Co.
Chartered Accountants
FRN: 111327W

Dr CA B. K. Vatsaraj
Partner
M. No.: 039894
UDIN: 24039894BKHIAK3909

Mumbai, 18th May, 2024

Annexure A to the Independent Auditors'

Report on Consolidated Financial Statements of Patel Engineering Limited as on 31st March 2024, 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 Limited	L99999MH1949PLC007039	Holding Co.	i(c), vii(b)
2	Friends Nirman Private Limited	U70101MH2004PTC308856	Subsidiary	xvii
3	Bhooma Realities Private Limited	U45400MH2007PTC171064	Subsidiary	xvii
4	Shashvat Land Projects Private Limited	U70102MH2007PTC171886	Subsidiary	xvii
5	Vismaya Constructions Private Limited	U45400MH2007PTC171048	Subsidiary	xvii
6	Shreeanant Construction Private Limited	U45200MH2005PTC158079	Subsidiary	vii(a) &(b), xvii
7	Hampus Infrastructure Private Limited	U74999MH2018PTC374634	Subsidiary	xvii
8	PBSR Developers Private Limited	U45209TG2012PTC078886	Subsidiary	vii(b), xvii
9	Hera Realcon Private Limited	U70109MH2007PTC166825	Subsidiary	xvii
10	Dirang Energy Pvt Ltd	U40101MH2008PTC330438	Subsidiary	xvii
11	Saskang Rong Energy Pvt Ltd	U40108MH2008PTC185929	Subsidiary	vii(b)
12	Bellona Estate Developers Limited	U70200MH2007PLC166899	Subsidiary	xvii

For Vatsaraj & Co.
Chartered Accountants
FRN: 111327W

Dr CA B. K. Vatsaraj
Partner
M. No.: 039894
UDIN: 24039894BKHIAK3909

Mumbai, 18th May, 2024

ANNEXURE B to Independent Auditors' Report on the Consolidated Financial Statement of

Patel Engineering Limited.

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of the Group as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to the Consolidated Financial Statements of Patel Engineering Limited (hereinafter referred to as "Parent") and its subsidiary companies 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 Parent, its subsidiaries, and associate companies, 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 internal control with reference to Consolidated Financial Statements criteria established by the respective Companies 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 internal financial controls with reference to the Consolidated Financial Statements of the Parent, its subsidiary companies and its associates, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing ("SA") 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 with reference to the Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements 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 and the audit evidence obtained by other auditors of the Subsidiary companies, joint operation and associate companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to the Consolidated Financial Statements of the Parent, its subsidiary companies, its joint operation and its associate companies, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

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

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

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated

Financial Statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in Other Matters paragraph below, the Parent, its subsidiary companies, and its associates, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls system 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, 2024, based on the criteria for internal control with reference to the Consolidated Financial Statements established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to the Consolidated Financial Statements of the Parent 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.

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements in so far as it relates to 4 subsidiary companies and 3 associate company, which are companies incorporated in India, whose financial information is unaudited and whose efficacy of internal financial controls with reference to Consolidated Financial Statements is based solely on the Management's certification provided to us and our opinion on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements of the Group is not affected as the financial information of such entities is not material to the Group.

Our opinion is not modified in respect of the above matters.

For Vatsaraj & Co.
Chartered Accountants
FRN: 111327W

Dr CA B. K. Vatsaraj
Partner
M. No.: 039894
UDIN: 24039894BKHIAK3909

Mumbai, 18th May, 2024

Consolidated Balance Sheet

as at March 31, 2024

			Notes	As At March 31, 2024 ₹ Million	As At March 31, 2023 ₹ Million
I.	**ASSETS**				
1	**Non-current assets**				
	(a)	Property, plant and equipment	2	**12,646.54**	11,904.59
	(b)	Capital work-in-progress		**2,326.87**	2,944.44
	(c)	Intangible assets		**7.64**	12.16
	(d)	Goodwill on consolidation		**252.61**	252.61
	(e)	Right to use assets		**281.60**	142.09
	(f)	Financial assets			
		(i) Investments	3	**1,554.72**	1,354.12
		(ii) Trade receivables	4	**3,007.06**	3,606.79
		(iii) Loans	5	**813.54**	887.94
		(iv) Other financial assets	6	**6,477.01**	6,166.75
	(g)	Deferred tax assets (net)	7	**943.91**	2,073.52
	(h)	Current tax assets (net)	8	**1,442.39**	886.97
	(i)	Other non current assets	9	**2,033.13**	2,094.79
	Total non current assets			**31,787.02**	**32,326.77**
2	**Current assets**				
	(a)	Inventories	10	**37,918.59**	36,762.97
	(b)	Financial assets			
		(i) Trade receivables	4	**5,539.21**	5,038.74
		(ii) Cash and cash equivalents	11	**3,387.54**	2,083.01
		(iii) Other bank balances	12	**-**	-
		(iv) Loans	5	**35.40**	59.58
		(v) Other financial assets	6	**4,143.34**	1,407.35
	(c)	Current tax assets (net)	8	**13.75**	78.40
	(d)	Other current assets	9	**7,136.40**	6,921.00
	(e)	Assets classified as held for sale	13	**-**	2,893.08
	Total current assets			**58,174.23**	**55,244.13**
	TOTAL ASSETS			**89,961.25**	**87,570.90**
II.	**EQUITY AND LIABILITIES**				
1	**Equity**				
	(a)	Equity share capital	14	**773.62**	773.62
	(b)	Other equity		**30,762.57**	28,105.94
	Equity attributable to owners of the parent			**31,536.19**	28,879.56
	Non-controlling interests			**81.10**	878.20
	Total equity			**31,617.29**	**29,757.76**
2	**Liabilities**				
	Non current liabilities				
	(a)	Financial liabilities			
		(i) Borrowings	15	**5,572.64**	5,324.96
		(ii) Lease liability	16	**123.52**	78.19
		(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		**6,391.52**	6,182.14
		(iv) Other financial liability	18	**2,266.97**	2,042.57
	(b)	Provisions	19	**100.69**	163.55
	(c)	Other non current liabilities	20	**3,694.72**	5,710.50
	(d)	Deferred revenue	21	**28.34**	78.92
	Total non current liabilities			**18,178.40**	**19,580.83**
	Current liabilities				
	(a)	Financial liabilities			
		(i) Borrowings	22	**13,282.28**	12,082.80
		(ii) Lease liability	16	**120.65**	92.67
		(iii) Trade payables	23		
		a) Total outstanding dues of micro enterprises and small enterprises		**274.31**	93.81
		b) Total outstanding dues of creditors other than micro enterprises and small enterprises		**18,366.64**	14,942.40
		(iv) Other financial liabilities	24	**333.29**	259.33
	(b)	Provisions	19	**54.96**	50.57
	(c)	Other current liabilities	25	**7,733.43**	9,734.94
	(d)	Liabilities for assets classified as held for sale	26	**-**	975.79
	Total current liabilities			**40,165.56**	**38,232.31**
	TOTAL EQUITY AND LIABILITIES			**89,961.25**	**87,570.90**
	Summary of material 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 18, 2024

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

Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

		Notes	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
I.	**Revenue from operations**	26	45,441.08	38,911.47
II.	**Other income**	27	889.08	1,149.37
III.	**Total Income (I + II)**		**46,330.16**	**40,060.84**
IV.	**Expenses:**			
	Cost of construction	28	32,919.68	28,487.57
	Employee benefits expense	29	3,540.36	3,260.29
	Finance costs	30	3,620.94	4,122.22
	Depreciation and amortization expense	2	976.14	808.99
	Other expenses	31	2,078.10	1,547.96
	Total expenses		**43,135.22**	**38,227.03**
V.	**Profit before exceptional items and tax (III-IV)**		**3,194.94**	**1,833.81**
VI.	**Exceptional items**	32	(856.18)	8.14
VII.	**Profit before tax (V - VI)**		**4,051.12**	**1,825.67**
VIII.	**Tax expense:**			
	(1) Current tax		615.17	719.58
	(2) Tax adjustments for earlier years		(45.41)	(184.36)
	(3) Deferred Tax		465.35	(146.59)
IX.	**Profit for the year (VII-VIII)**		**3,016.01**	**1,437.04**
X.	**Share in profit/ (loss) in associates (net)**		6.09	46.79
XI.	**Net profit after tax and share in profit /(loss) in joint ventures / associates from continuing operations**		**3,022.11**	**1,483.83**
XII.	Profit from discontinued operations before tax after non controlling interest	58	(119.73)	501.28
	Tax Expense (including Deferred Tax) on Discontinued Operations		-	150.23
	Profit from discontinued operations after tax and non controlling interest		(119.73)	351.06
XIII.	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans		(4.67)	(124.00)
	Revaluation of Assets		75.50	-
	Foreign Currency translation		(109.61)	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(18.12)	0.04
XIV.	**Total other comprehensive income**		**(56.90)**	**(123.96)**
XV.	**Total comprehensive income for the year (XI+XII+XIV)(comprising profit and other comprehensive income for the year)**		**2,845.47**	**1,710.92**
XVI.	**Minority interest**		**204.47**	**162.85**
XVII.	**Owners of the parent (XV- XVI)**		**2,641.00**	**1,548.07**
XVIII.	**Earnings per equity share from continued operations:**			
	(1) Basic	36	3.64	2.85
	(2) Diluted		3.54	2.03
XIX.	**Earnings per equity share from discontinued operations:**			
	(1) Basic		(0.15)	0.34
	(2) Diluted		(0.15)	0.34
	Summary of material 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 18, 2024

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

Consolidated Cash Flow Statement

for the year ended March 31, 2024

		March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net profit after tax	2,902.37	1,834.88
	Adjustment for:		
	Depreciation/ amortisation	976.14	808.99
	Tax expenses	1,035.10	388.63
	Finance charges	3,620.94	4,122.23
	Non cash gain from discontinued operation	(58.66)	-
	Gain on revaluation of assets	(71.32)	-
	Interest income and dividend received	(476.38)	(587.96)
	Foreign exchange gain	(41.54)	(110.33)
	Provision for leave salary	(65.22)	21.11
	Provision for gratuity	6.75	(15.21)
	Share in associates	6.09	46.79
	Share in JV	-	89.82
	Profit on sale of investment	(13.94)	-
	Profit on Award income	(1,111.53)	-
	Provision for impairment	7.06	251.19
	Profit on sale of assets	(20.90)	(13.30)
	Excess credit written back	(187.55)	(397.62)
	Irrecoverable debts and advances written off (net)	724.34	23.14
	Transferred of discontinued operation (net)	938.27	-
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**8,170.04**	**6,462.36**
	Adjustment for changes in:		
	Trade and other receivables	(943.72)	629.41
	Inventories	(2,126.82)	(1,040.40)
	Trade and other payables (excluding income tax)	2,736.50	1,791.02
	Cash from operations	**7,836.00**	**7,842.39**
	Direct tax paid (net)	(957.75)	(819.20)
	NET CASH FROM OPERATING ACTIVITIES (A)	**6,878.25**	**7,023.19**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	(Purchase) / adjustments of fixed assets (including capital work-in-progress and capital advances)	(1,592.76)	(1,681.01)
	Sale of fixed assets	126.60	(1.23)
	Decrease / (increase) in loans to JV/ associates	117.55	(97.25)
	Purchase of investments & marketable securities	(196.68)	(652.33)
	Interest received	221.92	190.41
	NET CASH USED IN INVESTING ACTIVITIES (B)	**(1,323.37)**	**(2,241.41)**

Consolidated Cash Flow Statement

for the year ended March 31, 2024

		March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Issue of shares	-	3,157.50
	Proceeds from borrowings including cash credit limit	998.03	-
	Replacement of Contractee advance with new term loan	(2,520.00)	-
	Term loan for replacement of Contractee advance	2,520.00	-
	Repayment of borrowings including cash credit limit	(2,123.47)	(5,257.73)
	Finance charges paid	(3,166.46)	(3,314.65)
NET CASH USED IN FINANCING ACTIVITIES (C)		**(4,291.89)**	**(5,414.88)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**1,262.98**	**(633.10)**
Opening balance of cash and cash equivalents		**2,083.01**	**2,605.78**
Balance of cash and cash equivalents		**3,346.00**	**1,972.68**
Notes to cash flow statement			
a)	**Cash and cash equivalents**		
	Cash on hand and balance with banks	3,387.54	2,083.01
	Effect of exchange rate changes	(41.54)	(110.33)
	Closing cash and cash equivalents as restated	**3,346.00**	**1,972.68**

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

₹ Million

March 31, 2024	Opening balance as on 01.04.2023	Cash flow	Non - cash changes	Closing balance as on 31.3.2024
Borrowings (including short term borrowing, long term borrowing & current maturity) & lease liability	17,578.62	1,394.57	125.90	19,099.09
Total	**17,578.62**	**1,394.57**	**125.90**	**19,099.09**

March 31, 2023	Opening balance as on 01.04.2022	Cash flow	Non - cash changes	Closing balance as on 31.3.2023
Borrowings (including short term borrowing, long term borrowing & current maturity) & lease liability	22,918.40	(5,257.73)	(82.05)	17,578.62
Total	**22,918.40**	**(5,257.73)**	**(82.05)**	**17,578.62**

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 18, 2024

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

Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

(A) EQUITY SHARE CAPITAL

Particulars	Number of shares	₹ Million
Equity shares of ₹ 1/- each issued, subscribed and paid		
As at 31 March 2022	479,230,494	479.23
Issue of equity shares	294,386,734	294.39
As at 31 March 2023	**773,617,228**	**773.62**
Issue of equity shares	-	-
As at March 31, 2024	**773,617,228**	**773.62**

(B) OTHER EQUITY

₹ Million

Particulars	Reserves and surplus											
	Capital reserve	Capital reserve on amalgamation	General reserve	Securities premium	Debenture redemption reserve	Revaluation reserve	Foreign currency monetary item translation difference	Capital redemption reserve	Surplus in the statement of profit and loss	Total equity attributable to equity holders	Non - controlling interest	Total equity attributable to equity holders
As at March 31, 2022	**277.57**	**(0.23)**	**3,000.62**	**15,129.83**	**30.64**	**-**	**301.94**	**300.00**	**4,317.39**	**23,357.75**	**714.11**	**24,071.87**
- Profit for the year - from Continuing operation	-	-	-	-	-	-	-	-	**1,493.33**	**1,493.33**	**(9.50)**	**1,483.83**
- Profit for the year - from Discontinuing operation									**178.71**	**178.70**	**172.35**	**351.05**
- Other comprehensive income for the year	-	-	-	-	-	-	(133.24)	-	**9.28**	**(123.96)**	**-**	**123.96**
- Adjustment during the year	-	-	-	(2.81)	-	-	-	-	**-**	**(2.81)**	**1.24**	**(1.57)**
- Adjustment on account of consolidation of joint venture	-	-	-	-	-	-	-	-	**89.82**	**89.82**	**-**	**89.82**
- Issued during the year	-	-	-	3,113.11	-	-	-	-	**-**	**3,113.11**	**-**	**3,113.11**
As at March 31, 2023	**277.57**	**(0.23)**	**3,000.62**	**18,240.13**	**30.64**	**-**	**168.70**	**300.00**	**6,088.52**	**28,105.94**	**878.20**	**28,984.15**
- Profit for the year - Continued Operations	-	-	-	-	-	-	-	-	**2,817.63**	**2,817.63**	**204.47**	**3022.10**
- Loss for the year - Discontinued Operations									**(119.73)**	**(119.73)**	**-**	**(119.73)**
- Other comprehensive income for the year	-	-	-	-	-	-	(36.89)	-	**5.60**	**(31.30)**	**-**	**(31.30)**
- On revaluation of assets (net of taxes)						47.11			**-**	**47.11**	**-**	**47.11**
- Adjustment during the year	-	-	-	-	44.73	-	-	-	**(44.73)**	**-**	**(20.98)**	**(20.98)**
- Reclassification adjustment	-	-	-	-	-	-	(72.72)	-	**72.72**	**-**	**-**	**-**
- Discontinued operation impact	-	-	(187.98)	-	-	-	-	-	**130.90**	**(57.09)**	**(980.59)**	**(1,037.68)**
As at March 31, 2024	**277.57**	**(0.23)**	**2,812.64**	**18,240.13**	**75.37**	**47.11**	**59.09**	**300.00**	**8,950.90**	**30,762.57**	**81.10**	**30,843.67**

Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

Capital reserve : 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.

Revaluation reserve: Revaluation reserve is credited on account of measurement of land in Property, Plant and equipment (PPE) as per the revaluation model under IND AS 16.

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, 2024

NOTE : 1

1.1 SUMMARY OF MATERIAL 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 18, 2024.

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.

The Company adopted Disclosure of Accounting Policies (Amendments to Ind AS 1) from April 1, 2023. Although the amendments did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

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, 2024

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), except land, are stated at net of recoverable taxes, trade discount and rebates less accumulated depreciation and accumulated impairment losses, if any. Land is stated at revalued amount determined by an independent registered valuer from time to time.

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."

h) 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.

i) 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

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.

Shreeanant Constructions Private Limited provide depreciation written down value method at the useful life of the assets as prescribed in schedule II of the Companies Act, 2013.

For overseas subsidiaries depreciation is provided based on estimated useful lives of the property, plant and equipment as determined by the management

Notes to Consolidated Financial Statement

for the year ended March 31, 2024

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 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

Notes to Consolidated Financial Statement

for the year ended March 31, 2024

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.

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.

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

Notes to Consolidated Financial Statement

for the year ended March 31, 2024

consolidated statement of profit and loss. The Group while applying above criteria has classified the following at amortized cost:

(a) Trade receivables

(b) Investment in subsidiaries

(c) Loans

(d) Other financial assets

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

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

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

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

Equity instruments

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

De-recognition of financial assets:

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

Impairment of financial assets:

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

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

(b) 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

Notes to Consolidated Financial Statement

for the year ended March 31, 2024

- Trade payables
- Other financial liabilities

Derecognition:

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

n) Financial derivative and hedging transactions

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

o) Fair value measurement

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

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

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

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

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

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

p) Employee benefits

Short term employee benefits :

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

Defined contribution plans

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

Defined benefit plans :

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

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

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

Notes to Consolidated Financial Statement

for the year ended March 31, 2024

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 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) Leases

As a lessee

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of 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.

u) Preliminary and preoperative expenses

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

v) 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

Notes to Consolidated Financial Statement

for the year ended March 31, 2024

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.

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) Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

Notes to Consolidated Financial Statement

for the year ended March 31, 2024

Note : 2

PROPERTY, PLANT AND EQUIPMENT AS AT MARCH 31, 2024

₹ Million

Particulars	Gross block							Depreciation and amortization						Net book value	
	As at April 1, 2023	Revaluation	Addition	Deduction/ retirement	Sub total	Foreign currency fluctuation	As at March 31, 2024	As at April 1, 2023	For the year	Deduction	Sub total	Foreign currency fluctuation	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
TANGIBLE ASSETS															
Land[1]	6,545.81	71.32	1,008.98		7,626.11	-	7,626.11	-	-	-	-	-	-	7,626.11	6,545.81
Building[2]	766.66		(0.00)	-	766.66	0.23	766.89	196.37	16.39	-	212.76	0.26	213.02	553.87	570.29
Plant and equipment[3]	8,623.49		564.47	129.19	9,058.76	(4.02)	9,054.74	4,454.16	747.67	25.41	5,176.41	(0.18)	5,176.23	3,878.51	4,169.33
Lease plant and equipment					-		-				-		-	-	-
Furniture and fixtures	70.02		3.62	-	73.64	(0.32)	73.32	61.66	2.45	-	64.11	(0.32)	63.79	9.53	8.36
Vehicles[4]	1,624.35		72.73	7.79	1,689.29	(0.13)	1,689.16	1,155.85	109.85	6.74	1,258.96	(0.13)	1,258.83	430.33	468.51
Lease vehicle					-		-				-		-	-	-
Office equipments	31.38		6.37	-	37.75	(0.08)	37.67	25.28	2.58	-	27.86	(0.08)	27.78	9.89	6.10
Others[5]	34.66				34.66		34.66	29.26	0.77	-	30.03		30.03	4.63	5.40
Electric equipment	181.07		35.33	0.99	215.41		215.41	78.86	24.66	0.12	103.39		103.39	112.01	102.21
Computer equipments	112.47		11.29	-	123.76	(0.40)	123.36	83.90	18.21	-	102.11	(0.40)	101.71	21.65	28.57
Container	-		-		-		-	-	-	-	-		-	-	-
Total	**17,989.91**	**71.32**	**1,702.79**	**137.97**	**19,626.04**	**(4.72)**	**19,621.32**	**6,085.32**	**922.57**	**32.27**	**6,975.63**	**(0.85)**	**6,974.78**	**12,646.54**	**11,904.59**
RIGHT TO USE															
Building	22.00		2.95	-	**24.95**		24.95	13.49	5.33	-	18.82		18.82	6.14	8.51
Land	3.15		-	-	**3.15**		3.15	2.12	0.77		2.89		2.89	0.26	1.03
Plant and equipment	490.26		182.29	-	**672.56**		672.56	363.19	39.06	-	402.26		402.26	270.31	127.07
Electric equipment	-		1.01		1.01		1.01		0.05		0.05		0.05	0.96	-
Vehicles	12.06				**12.06**		12.06	6.58	1.55		8.13		8.13	3.93	5.48
Total	**527.47**	**-**	**186.26**	**-**	**713.72**	**-**	**713.72**	**385.38**	**46.76**	**-**	**432.14**	**-**	**432.14**	**281.60**	**142.09**
Less : Transferred to capital WIP									-	-	-				
TOTAL PPE AND RIGHT TO USE	**18,517.38**	**71.32**	**1,889.04**	**137.97**	**20,339.77**	**(4.72)**	**20,335.04**	**6,470.70**	**969.33**	**32.27**	**7,407.77**	**(0.85)**	**7,406.92**	**12,928.14**	**12,046.68**
INTANGIBLE ASSETS															
Computer software	64.54		2.29	-	66.83	-	66.83	52.38	6.81	-	59.19	-	59.19	7.64	12.16
Goodwill	252.61		-	-	252.61	-	252.61	-	-	-	-	-	-	252.61	252.61
Total	**317.15**	**-**	**2.29**	**-**	**319.44**	**-**	**319.44**	**52.38**	**6.81**	**-**	**59.19**	**-**	**59.19**	**260.25**	**264.77**
Capital Work-In-Progress[6]	2,944.44		665.73	1,283.30	2,326.87	-	2,326.87	-	-	-	-	-	-	**2,326.87**	**2,944.44**
GROSS TOTAL	**21,778.96**	**71.32**	**2,557.06**	**1,421.27**	**22,986.07**	**(4.72)**	**22,981.34**	**6,523.08**	**976.14**	**32.27**	**7,466.96**	**(0.85)**	**7,466.11**	**15,515.26**	**15,255.89**

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

₹ Million

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	3,513.77	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	269.90	PEL Power Ltd.			
Property Plant & Equipment	Land	7.52	PEL Power Ltd.			
Property, plant & equipment	Land	4.66	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	139.23	Mrs. Silloo Yezdi Patel	Ex-director	FY 2001-02	
Property, plant & equipment	Land	319.82	Mr. Rupen Pravin Patel	Director	FY 2000-01	

2 a) Building includes building [gross block - ₹ 615.22 million (P.Y. ₹ 614.99 million), accumulated depreciation ₹ 131.03 million (P.Y. ₹ 119.76 million)] and factory building [gross block - ₹ 151.67 million (P.Y. ₹ 151.67 million), accumulated depreciation ₹ 81.98 million (P.Y. ₹ 76.60 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 ` 97.95 million (` 539.40 million) not commissioned/erected/put to use.

4

₹ Million

Vehicles includes	Gross block 2023-24	Gross block 2022-23	Acc dep. 2023-24	Acc dep. 2022-23
Motor car	375.79	317.87	254.80	236.50
Motor truck	1,297.70	1,303.19	993.13	916.78
Motor cycle	3.61	3.29	2.76	2.55

5

₹ Million

Others include	Gross block 2023-24	Gross block 2022-23	Acc dep. 2023-24	Acc dep. 2022-23
Ship	0.06	0.06	0.06	0.06
Rails and trolley	34.60	34.60	29.97	29.20

Notes to Consolidated Financial Statement

for the year ended March 31, 2024

6 **Capital work-in-progress (CWIP) ageing schedule**

Particulars	Amount in CWIP for a period of				
	Less than 1 Years	1-2 years	2-3 years	More than 3 years	Total
Project in progress	615.00	20.38	-	2.94	638.32
Project temporary suspended*	0.21	0.28	0.30	1,687.75	1,688.54

* 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.

7 During the year ended March 31, 2024 the Group has changed its accounting policy for valuation of land in the Property, Plant Equipments from cost model to revaluation model. The Group believes that this change to revaluation model is preferable as it reflects value of the Group's land on current market price basis and it reflect the current worth of the Group. Based on comparable transaction near the vicinity of the land, independent registered valuer has determined the fair value of the land and issue the valuation report on March 30, 2024.

Hence, it provides reliable and more relevant information to the users of financial statements about the Group's Value of land fixed assets on an on-going basis. As a result of revaluation, net value of land has been increased by ₹ 71.32 million and the said increase has been recognised in other comprehensive income net of deferred tax of ₹ 24.21 Million.

Notes to Consolidated Financial Statement

for the year ended March 31, 2024

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, 2023	As at March 31, 2022
TANGIBLE ASSETS														
Land[1]	6,545.81			6,545.81	-	6,545.81	-	-	-	-	-	-	6,545.81	6,545.81
Building[2]	481.89	281.55		763.44	3.22	766.66	187.62	5.56		193.18	3.19	196.37	570.29	294.28
Plant and equipment[3]	7,427.54	1,505.06	313.13	8,619.47	4.02	8,623.49	4,084.08	600.50	230.60	4,453.98	0.18	4,454.16	4,169.33	3,343.46
Furniture and fixtures	99.32	1.78	31.21	69.89	0.13	70.02	90.48	2.25	31.20	61.53	0.13	61.66	8.36	8.84
Vehicles[4]	1,592.83	157.20	125.81	1,624.22	0.13	1,624.35	1,183.15	93.98	121.41	1,155.72	0.13	1,155.85	468.50	409.68
Office equipments	66.85	1.01	36.59	31.27	0.11	31.38	59.47	2.29	36.59	25.17	0.11	25.28	6.10	7.38
Others[5]	34.66			34.66	-	34.66	28.71	0.55	-	29.26	-	29.26	5.40	5.95
Electric equipment	152.54	57.92	29.39	181.07	-	181.07	88.42	19.16	28.72	78.86	-	78.86	102.21	64.12
Computer equipments	149.44	16.81	53.89	112.36	0.11	112.47	118.55	19.09	53.85	83.79	0.11	83.90	28.57	30.89
Container	-			-	-	-	-			-	-	-	-	-
Total	**16,550.88**	**2,021.33**	**590.02**	**17,982.19**	**7.72**	**17,989.91**	**5,840.48**	**743.36**	**502.37**	**6,081.49**	**3.85**	**6,085.34**	**11,904.59**	**10,710.40**
RIGHT TO USE														
Building	18.80	3.20		22.00	-	22.00	2.95	10.53		13.49	-	13.49	8.51	15.84
Land	3.15			3.15		3.15	1.06	1.06		2.12		2.12	1.03	2.09
Plant and equipment	490.26			490.26	-	490.26	315.89	47.30		363.19	-	363.19	127.07	174.37
Vehicles	12.06			12.06	-	12.06	5.12	1.46		6.58	-	6.58	5.48	6.94
Total	**524.27**	**3.20**	**-**	**527.47**	**-**	**527.47**	**325.02**	**60.35**	**-**	**385.38**	**-**	**385.38**	**142.09**	**199.24**
Less : Trfd to capital WIP									-	-				
TOTAL PPE AND RIGHT TO USE	**17,075.15**	**2,024.53**	**590.02**	**18,509.66**	**7.72**	**18,517.38**	**6,165.50**	**803.71**	**502.37**	**6,466.87**	**3.85**	**6,470.72**	**12,046.68**	**10,909.64**
INTANGIBLE ASSETS														
Computer Software	64.61	8.63	8.71	64.54	-	64.54	55.81	5.28	8.71	52.38	-	52.38	12.16	8.80
Goodwill	252.61	-	-	252.61	-	252.61	-	-	-	-	-	-	252.61	252.61
TOTAL	**317.22**	**8.63**	**8.71**	**317.15**	**-**	**317.15**	**55.81**	**5.28**	**8.71**	**52.38**	**-**	**52.38**	**264.77**	**261.41**
Capital Work-In-Progress6	2,823.77	107.09	0.13	2,930.73	13.71	2,944.44	-	-	-	-	-	-	**2,944.44**	**2,823.77**
TOTAL	**20,216.14**	**2,140.25**	**598.85**	**21,757.53**	**21.43**	**21,778.96**	**6,221.31**	**808.99**	**511.08**	**6,519.25**	**3.85**	**6,523.10**	**15,255.89**	**13,994.82**

Notes to Consolidated Financial Statement

for the year ended March 31, 2024

Notes

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

₹ Million

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 of Patel Engineering Limited	FY 2021-22	Entities are part of merger scheme and they will merge with the Company on receipt of merger order from company authority.
Property, plant & equipment	Land & building	183.34	PEL Power Ltd.			
Property, plant & equipment	Land	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	

2 a) Building includes building [gross block - ₹ 614.99 million (P.Y. ₹ 330.22 million), accumulated depreciation ₹ 119.76 million (P.Y. ₹ 116.43 million)] and factory building [gross block - ₹ 151.67 million (P.Y. ₹ 151.67 million), accumulated depreciation ₹ 76.60 million (P.Y. ₹ 71.19 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.

4

₹ Million

Vehicles includes	Gross block 2022-23	Gross block 2021-22	Acc dep. 2022-23	Acc dep. 2021-22
Motor car	317.87	319.07	236.50	242.86
Motor truck	1,303.19	1,270.14	916.78	937.23
Motor cycle	3.29	3.62	2.55	3.06

5

₹ Million

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				
	Less than 1 Years	1-2 years	2-3 years	More than 3 years	Total
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, 2024

NOTE : 3

INVESTMENTS

NON- CURRENT INVESTMENTS	March 31, 2024 ₹ Million	March 31, 2023 ₹ 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	8.91	8.02
In joint ventures		
In associates		
Other investments (accounted under equity method)		
10,006,000 shares (10,006,000) of Patel KNR Heavy Infrastructures Ltd., face value ₹ 10/- per share	309.33	321.89
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	3.05	2.74
8,495,040 shares (8,495,040) of ACP Tollways Pvt. Ltd., face value ₹ 100/- per share (includes goodwill of ₹ 2.77 million)	199.26	180.70
2,40,19,600 shares (2,40,19,600) of Hitodi Infrastructure Pvt. Ltd. face value ₹ 10/- per share	(0.00)	(0.00)
	511.65	**505.35**
Investment in government securities [IV]	0.12	0.12
Investment by joint venture	76.00	76.00
Investment in partnership firms	-	-
Investment in equity instruments (at FVTPL, Unquoted)		
173,398 shares (8,85,220) of Michighan Engineers Pvt. Ltd., face value ₹ 10/- per share	170.52	111.86
4900 shares (Nil) of Shail Tunnelling And Infra Pvt. Ltd, face value ₹ 10/- per share	0.05	-
Investment in mutual funds (At FVTPL, quoted)	799.35	660.73
Total	1,566.59	1,362.06
Less : provision for impairment [III]	11.87	7.94
TOTAL NON -CURRENT INVESTMENT	**1,554.72**	**1,354.12**

I. Aggregated amount of unquoted investments as at March 31, 2024 ₹ 755.37 million (P.Y. ₹ 693.40 million).

II. Aggregated amount of quoted investments as at March 31, 2024 ₹ 799.35 million, market value ₹ 799.35 million (P.Y. ₹ 660.73 million, market value ₹ 660.73 million).

III. Aggregated amount of impairment in value of investments as at March 31, 2024 ` 11.87 million (P.Y. ` 7.94 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, 2024

NOTE : 4

TRADE RECEIVABLES

	Non-current		Current	
	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Unsecured, considered good unless otherwise stated				
Receivables outstanding for a period exceeding six months				
Considered good	2,956.40	3,499.87	3,662.84	3,334.02
Considered doubtful	-	-	4.96	668.01
	2,956.40	**3,499.87**	**3,667.80**	**4,002.03**
Less : provision for doubtful debts	-	-	4.96	668.01
(A)	**2,956.40**	**3,499.87**	**3,662.84**	**3,334.02**
Other receivables				
Considered good (B)	50.66	106.92	1,876.37	1,704.72
(A+B)	**3,007.06**	**3,606.79**	**5,539.21**	**5,038.74**

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

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

III Trade receivables are net of advances received against arbitration awards/claims of ₹ 4,914.11 millions (P.Y. ₹ 4,887.40 millions).

IV Trade receivable ageing schedule

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, 2024							
Undisputed trade receivable - considered good	1,927.03	414.00	1,831.13	1,090.20	1,889.08	1,392.56	8,543.99
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	4.85	-	4.85
Undisputed trade receivables - credit impaired	-	-	-	-	2.39	-	2.39
	1,927.03	**414.00**	**1,831.13**	**1,090.20**	**1,896.32**	**1,392.56**	**8,551.22**
Less: allowance for doubtful debts	-	-	-	-	4.96	-	4.96
Total receivable	**1,927.03**	**414.00**	**1,831.13**	**1,090.20**	**1,891.36**	**1,392.56**	**8,546.27**
As on March 31, 2023							
Undisputed trade receivable - considered good	1,799.86	590.93	1,244.25	1,016.59	1,902.44	2,089.17	8,643.25
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
	1,799.86	**590.93**	**1,244.25**	**1,016.59**	**1,909.68**	**2,752.22**	**9,313.54**
Less: allowance for doubtful debts					4.96	663.05	668.01
Total receivable	**1,799.86**	**590.93**	**1,244.25**	**1,016.59**	**1,904.72**	**2,089.17**	**8,645.53**

Notes to Consolidated Financial Statement

for the year ended March 31, 2024

NOTE : 5

LOANS

	Non-current		Current	
	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Balance in current account with associates / joint ventures / partnership firms				
Unsecured, considered good	813.54	887.94	35.40	59.58
Balance which have significant increase in credit risk	86.99	88.01	23.19	-
	900.53	**975.95**	**58.59**	**59.58**
Less: Provision for impairment	86.99	88.01	23.19	-
	813.54	**887.94**	**35.40**	**59.58**

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, 2024 ₹ Million	March 31, 2023 ₹ Million	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Cash and bank balances				
- On fixed deposits accounts with scheduled banks*	2,308.62	2,068.94	-	-
Deferred finance cost	22.25	70.31	-	-
Secured deposit				
Unsecured, considered good	2,283.02	2,265.16	1,775.83	1,163.63
Accrued interest	1,863.12	1,762.34	16.75	21.84
Other Assets, unsecured, considered good	-	-	2,350.76	221.88
	6,477.01	**6,166.75**	**4,143.34**	**1,407.35**

* Includes amount given towards margin money and earnest money deposits

NOTE : 7

DEFERRED TAX ASSETS

	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Related to depreciation on property, plant and equipment	15.24	(7.10)
Carry forward of an unused tax credit	-	620.98
Other disallowances under the income tax act	928.67	1,459.63
	943.91	**2,073.52**

Notes to Consolidated Financial Statement

for the year ended March 31, 2024

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

	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Deferred income tax liability		
Timing difference on tangible and intangible assets depreciation and amortization	(0.44)	(7.10)
Others	(4.18)	-
Deferred income tax asset		
Disallowances on account of income tax act	932.85	1,395.21
Timing difference on tangible and intangible assets depreciation and amortisation	15.69	0.07
Carry forward of an unused tax credit	-	620.98
Other	-	64.36
Total deferred tax assets (net)	**943.91**	**2,073.52**

NOTE : 8

CURRENT TAX ASSETS (NET)

	Non-current		Current	
	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Advance tax (net)[1]	1,442.39	886.97	13.75	78.40
	1,442.39	**886.97**	**13.75**	**78.40**

1 Includes advance tax which is net of provision for tax ₹ 995.60 million (P.Y. ₹ 1,518.23 million).

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

	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Profit / loss before income tax	4,051.12	1,825.67
Income tax expense calculated at 34.944%	1,415.62	637.96
Effect of expenses not allowed for tax purpose	328.88	335.07
Effect of income not considered for tax purpose	(572.69)	(276.37)
Others	(602.06)	(161.43)
	569.76	**535.22**

NOTE : 9

OTHER ASSETS

	Non-current		Current	
	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Capital advance				
Secured, considered good				
Unsecured, considered good	65.96	185.89	-	-
Security deposit				
Unsecured, considered good	1.20	1.20	-	-
Doubtful	16.76	16.76		
Advance recoverable				
Secured, considered good				
Unsecured, considered good	141.62	179.14	3,898.31	4,081.10
Doubtful	218.35	207.00	27.30	27.30
Prepaid expenses - Others	284.76	228.65	556.05	597.74
Prepaid expenses - CSR	-	-	29.61	-
Balance with statutory authorities	655.99	745.75	2,228.45	2,127.88
Accrued interest	-	-	0.03	0.02
Preoperative and preliminary expenses	819.76	706.15	-	-

Notes to Consolidated Financial Statement

for the year ended March 31, 2024

	Non-current		Current	
	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Advance to suppliers	16.30	-	7.31	5.17
Other advances	47.55	46.82	176.94	17.05
Non trade receivables	-	-	201.32	56.50
Advances to employees	-	1.19	38.38	35.54
	2,268.25	**2,318.55**	**7,163.70**	**6,948.30**
Less: Allowance for doubtful advances	235.12	223.76	-	-
Less: Provision for impairment	-	-	27.30	27.30
	2,033.13	**2,094.79**	**7,136.40**	**6,921.00**

NOTE : 10

INVENTORIES *

(At lower of cost or net realisable value)

	Current	
	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Stock of land	3,351.97	3,289.04
Stores, embedded goods and spare parts etc.	3,182.67	2,463.55
(includes stores in transit ₹ 275.47 million (P.Y. ₹ 182.67 million)		
Work-in-progress	31,383.95	31,010.38
	37,918.59	**36,762.97**

*(As technically valued and certified by the management)

NOTE : 11

CASH AND CASH EQUIVALENTS

	Current	
	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Balance with banks		
- On current accounts with scheduled banks	3,085.96	1,231.73
- On fixed deposits accounts with scheduled banks	273.64	826.04
- On fixed deposits accounts with foreign banks	24.56	21.35
- Foreign currency in hand	2.22	2.48
Cash on hand	1.16	1.41
	3,387.54	**2,083.01**

NOTE : 12

OTHER BANK BALANCES

	Current	
	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Deposits with maturity more than 3 months but less than 12 months	-	-
Balances with bank for unpaid dividend	-	-
	-	-

Notes to Consolidated Financial Statement

for the year ended March 31, 2024

NOTE : 13

ASSETS CLASSIFIED AS HELD FOR SALE

	Current	
	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Assets from discontinued operations		
Michighan Engineers Pvt Ltd (Formally know as Michighan Engineers Pvt Ltd) (Refer note no 58)	-	2,893.08
Less : provision for impairment	-	-
TOTAL ASSETS CLASSIFIED AS HELD FOR SALE	**-**	**2,893.08**

NOTE : 14

SHARE CAPITAL AND OTHER EQUITY

A)	SHARE CAPITAL	March 31, 2024		March 31, 2023	
		No. of shares	₹ Million	No. of shares	₹ Million
a)	**Authorized**				
	Equity shares of ₹ 1/- each	9,954,300,000	9,954.30	9,954,300,000	9,954.30
	Zero coupon optionally convertible preference shares of ₹ 1/- each	800,000,000	800.00	800,000,000	800.00
b)	**Issued, subscribed and fully paid up**				
	Equity shares of ₹ 1/- each	773,617,228	773.62	773,617,228	773.62
		773,617,228	**773.62**	**773,617,228**	**773.62**

c) Terms/rights attached to equity shares

The Company has only one class of shares referred to as equity shares of Re. 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	No. of shares	₹ Million	No. of shares	₹ Million
	Outstanding at the beginning of the year	773,617,228	773.62	479,230,494	479.23
	Add :- issued during the year	-	-	294,386,734	294.39
	Outstanding at the end of the year	**773,617,228**	**773.62**	773,617,228	773.62

e) Share held by each shareholder more than 5%

Equity shares

Name of the shareholder	No. of shares	% holding	No. of shares	% holding
i) Raahitya Constructions Pvt. Ltd. (erstwhile Patel Corporation LLP)	23,24,06,527	30.04	23,24,06,527	30.04
ii) Praham India LLP	4,01,95,352	5.20	4,01,95,352	5.20

f) During the financial year 2019-20, Company had made prefential 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 financial year 20-21 into 91,99,470 equity shares.

Further, during the financial year 2021-22, company has made prefential 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.

Notes to Consolidated Financial Statement

for the year ended March 31, 2024

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, 2024			March 31, 2023		
		No. of shares	% of total shares	% changes during the year	No. of shares	% of total shares	(%change during the year)
i	Mr. Rupen Patel	30,785,933	3.98	-	30,785,933	3.98	(11.24)
ii	Raahitya Constructions Pvt. Ltd.	232,406,527	30.04	-	232,406,527	30.04	25.40
iii	Praham India LLP	40,195,352	5.20	-	40,195,352	5.20	
iv	Ms. Alina Rupen Patel	1,290,000	0.17	-	1,290,000	0.17	
v	Ms. Chandrika Patel	149,900	0.02	-	149,900	0.02	
vi	Mr. Ryan Rupen Patel	90,000	0.01	-	90,000	0.01	
	Total	**304,917,712**	**39.41**	**-**	**304,917,712**	**39.41**	**14.16**

I) Share issued during the previous year

During the previous year ended as on March 31, 2023, 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 had 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 was pending utilisation, kept in a separate bank account / temporary invested in fixed deposit and same has been utilised during the period 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, 2024 ₹ Million	March 31, 2023 ₹ Million	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
I	**Secured loans**				
a)	Debentures [1]	3,686.61	4,625.35	1,058.81	724.30
b)	Term loans				
	- From bank [2]	501.89	599.61	42.76	411.77
	- From others [3]	1,384.14	100.00	1,060.75	328.00
II	**Unsecured loans**				
	Amount disclosed under "other financial liabilities" in note no. 22	-	-	(2,162.32)	(1,464.07)
		5,572.64	**5,324.96**	**-**	**-**

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

Notes to Consolidated Financial Statement

for the year ended March 31, 2024

to ₹ Nil (P.Y. ₹ 238.00 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 was 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 FY 19, Implementation from LIC (Life Insurance Corporation of India) & GIC (General Insurance Corporation of India) was completed as per the scheme and Units of OCD under Part B Debt was issued by the company. As part of the above S4A scheme, lenders of the company had converted Part B debt from Working Capital Term Loan (WCTL) , Working Capital facilities (CC) , Non Convertible Debentures (NCD) & Short Term Loans (STL) facilities into various tranches of Optionally Converted Debentures (OCD). The tranche wise details of OCD allotment and their outstanding details as on March 31, 2024 are as follows -

Tranche 1. (WCTL) ₹ 855.40 million (P.Y. ₹ 908.11 million) ,Tranche 2 (CC) ₹ 2,091.09 million (P.Y. ₹ 2,212.38 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 ₹3,698.70 million as on March 31, 2024 (P.Y. ₹3,882.62 million) and outstanding liabilities on these debenture under IND AS 109 is ₹ 2,780.01 million (P.Y. ₹ 3,369.25 million) as on March 31, 2024.

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 ₹ 1,256.10 million including ₹ 349.50 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. The above debentures are secured by 1) First charge on the entire assets, movable and immovable, present and future of PKIL, 2) First charge on the revenues and receivables of PKIL including the annuity , 3) First Charge on the debt service, reserve account, and other reserves, Trust and retention account and all other bank accounts of PKIL, 4) Assignment of all the contracts, project documents and insurance policies as regards the road project on NH-7 on annuity and 5) Assignment of a revolving letter of credit of ₹ 32.94 Crores in favour of bank 6) Next repayment date 14/10/2024.

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, 2024

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 till F.Y. 24 . 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 ₹ 84.45 million (P.Y. ₹ 123.42 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

The term loan of ₹ 1,384.14 million (P.Y. ₹ 100.00 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 3-8 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%-11.50% on an average.

NOTE : 16

LEASE LIABILITY

	Non-current		Current	
	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Lease liability	123.52	78.19	120.65	92.67
	123.52	**78.19**	**120.65**	**92.67**

NOTE : 17

TRADE PAYABLES*

	Non-current	
	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Trade creditors	479.45	467.90
Piece rate wages payable	2,410.30	2,591.04
Provisions - others	2,999.60	2,177.37
Capital creditors	502.17	945.83
	6,391.52	**6,182.14**

*Ageing of trade payable is given under note no 55

Notes to Consolidated Financial Statement

for the year ended March 31, 2024

NOTE : 18

OTHER FINANCIAL LIABILITIES

	Non-current	
	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Retention deposits (contractually to be refunded after 1 year from completion of work)	27.12	30.35
Interest accrued but not due on borrowings	2,239.85	2,012.22
	2,266.97	**2,042.57**

NOTE : 19

PROVISIONS

	Non-current		Current	
	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Provision for employee benefits (refer note 34)				
Provision for gratuity	18.77	23.35	46.80	35.47
Provision for leave entitlements	81.92	140.20	8.16	15.10
	100.69	**163.55**	**54.96**	**50.57**

NOTE : 20

OTHER NON CURRENT LIABILITY

	Non-current	
	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Contractee advances	3,438.47	4,763.38
Deposits	107.85	291.47
Other liability	148.40	655.65
	3,694.72	**5,710.50**

NOTE : 21

DEFERRED REVENUE

	Non-current	
	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Deferred revenue	28.34	78.92
	28.34	**78.92**

Notes to Consolidated Financial Statement

for the year ended March 31, 2024

NOTE : 22

BORROWINGS

		Current	
		March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
I	**Secured loans**		
	Short term loans [1]		
	- From bank	-	-
	- From other	227.00	277.00
	Loans repayable on demand		
	- From bank [2]	10,196.47	9,536.57
II	**Unsecured loans**		
	- From others	75.00	75.00
	- From related parties [3]	621.49	730.15
	Current maturities of long-term debt	2,162.32	1,464.08
		13,282.28	**12,082.80**

1 **Short term loan**

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 outstanding of interest and principal for FITL 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.Y. 10.35%-12.31% p.a.)

b) Loan of ₹ 117.77 million (P.Y. ₹ 224.18 million) was taken during the financial year 2016-17 and carries interest MCLR (1 Year) + 2.75% p.a. The loan is secured by pari passu charge over the current assets of the PBSR including receivables of the PBSR. The charge to cover escrow account established / to be established for the project. First pari-pasu charge over about 4 acres land in Gachibowli, Hyderabad owned by the PBSR.

3 **Unsecured loan**

It includes short term inter corporate payables to related parties of ₹ 621.49 million (P.Y. ₹ 730.15 million) and other ₹ 75.00 millions (P.Y. ₹ 75.00 million).

4 The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts.

5 The borrowings obtained by Group from banks and financial institutions have been applied for the purposes for which such loans were taken.

Notes to Consolidated Financial Statement

for the year ended March 31, 2024

NOTE : 23

TRADE PAYABLES*

	Current	
	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Total outstanding dues of micro enterprises and small enterprises1 (refer note no 40)	274.31	93.81
Total outstanding dues of creditors other than micro enterprises and small enterprises[1]		
Trade creditors	7,270.29	6,117.53
Piece rate wages payable	7,270.48	4,646.48
Provisions - others	3,825.87	4,178.39
	18,640.95	**15,036.21**

*Ageing of trade payable is given under note no 55

1 Group has entered into supplier finance arrangements of ₹ 1,554.35 million with various parties which provide extended credit period by 3 -8 months with the interest rate ranging between 9.3% to 13.10%.

NOTE : 24

OTHER FINANCIAL LIABILITIES

	Current	
	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Interest accrued but not due on borrowings	95.09	101.65
Interest accrued and due on borrowings	-	16.12
Deposits	227.84	141.32
Others	10.36	0.24
	333.29	**259.33**

The group has transferred Nil (P.Y. Nil) to Investor Education & Protection Fund as at March 31, 2024.

NOTE : 25

OTHER CURRENT LIABILITIES

	Current	
	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
(a) Other Liabilities		
Contractee advances	4,162.42	7,594.43
Other payables		
Payable to employees	670.04	576.92
Other liabilities	2,165.32	1,014.13
(b) Balance in current account		
(i) With subsidiaries, associates	0.17	0.17
(ii) With joint ventures	735.48	549.29
	7,733.43	**9,734.94**

Notes to Consolidated Financial Statement

for the year ended March 31, 2024

NOTE : 26

LIABILITIES FOR ASSETS CLASSIFIED AS HELD FOR SALE

Liabilities from discontinued operations

	Current	
	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Welspun Michigan Engineers Ltd. (Formally know as Michighan Engineers Pvt Ltd) (Refer note no 58)	-	975.79
	-	**975.79**

NOTE : 26

REVENUE FROM OPERATIONS

		March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
(a)	**Revenue/turnover**	42,219.46	36,547.32
	Add: increase/(decrease) in work-in-progress	564.42	1,508.01
	Sale of goods	-	0.24
	Total turnover	42,783.88	38,055.57
(b)	**Other operating income**		
	Lease and service charges	0.46	25.86
	Miscellaneous operating income	2,656.74	830.04
		45,441.08	**38,911.47**

NOTE : 27

OTHER INCOME

	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Gain on sale of assets (net)	6.96	12.99
Gain on sale of investments (net)	13.94	0.30
Other non operating income	249.94	297.15
Interest income	476.38	587.96
Net gain on foreign currency translation	41.54	110.33
Excess credit written back	100.32	140.64
	889.08	**1,149.37**

Notes to Consolidated Financial Statement

for the year ended March 31, 2024

NOTE : 28

COST OF CONSTRUCTION

	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Stores, embedded goods and spare parts *		
Inventories at the beginning of the year	2,463.55	2,421.10
Add : purchase (net)	9,770.37	9,099.50
	12,233.92	**11,520.60**
Less : inventories at the end of the year	3,182.67	2,463.55
Consumption of stores and spares	**9,051.25**	**9,057.05**
Piece rate expenses (net)	17,550.31	15,323.63
Repairs to machinery	78.49	60.50
Transportation, hire etc.	1,245.77	1,681.15
Power, electricity and water charges	560.47	630.61
Project development cost	6.71	31.80
Technical consultancy fees	168.52	170.15
Other construction costs	4,258.16	1,532.68
	32,919.68	**28,487.57**

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

NOTE : 29

EMPLOYEE BENEFITS EXPENSE

	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Salaries, wages and bonus	3,188.68	2,876.11
Contribution to provident and other funds (refer note no. 34)	159.74	185.10
Staff welfare expenses	191.94	199.08
	3,540.36	**3,260.29**

NOTE : 30

FINANCE COSTS

	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Interest expense	2,932.78	3,366.10
Other borrowing costs	688.16	756.12
	3,620.94	**4,122.22**

Notes to Consolidated Financial Statement

for the year ended March 31, 2024

NOTE : 31

OTHER EXPENSES

	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Other administrative costs		
Rent	71.67	80.91
Repairs and maintenance - building	0.02	-
Insurance	230.76	275.47
Rates and taxes	216.58	186.81
Advertisement and selling expenses	6.82	20.88
Travelling and conveyance	96.17	87.52
Directors fees	2.13	2.59
Auditor's remuneration		
Audit fees	6.17	6.20
Limited review	1.20	0.80
Certification	0.71	0.06
Taxation and other services	3.75	4.49
	11.83	**11.55**
Communication expenses	20.66	17.48
Printing and stationery	20.02	20.33
Legal and consultancy charges	645.21	386.45
Loss on sale of asset discarded	0.36	0.01
CSR Expenses	11.66	-
Irrecoverable debts written off / provided	391.82	9.21
Other expenses	352.39	448.75
	2,078.10	**1,547.96**

NOTE : 32

EXCEPTIONAL ITEMS :

	March 31, 2024 ₹ Million	March 31, 2023 ₹ 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
Loss on recognition of revenue[d]	134.16	-
Arbitration award received[e]	(1,108.53)	-
Provision for impairment on loan and advances[f]	7.06	-
Irrecoverable debts written off[g]	198.36	187.56
Excess credit written back[h]	(87.23)	(256.98)
	(856.18)	**8.14**

a) On substantial completion of the project, the group has reversed the provision made for future loss.

b) During the previous period, group 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.

Notes to Consolidated Financial Statement

for the year ended March 31, 2024

c) Excess amount over and above loan and investment has written off during the previous year.

d) A loss on recognition of revenue incurred on flats of a project under development, completed in current period, which were sold before completion of the Project but remained unregistered till end of the period.

e) During the period, group has received a favourable award, net of financing cost of arbitration, from International Arbitration Tribunal against the investment made by the Company in the Mauritius project via Waterfront Development Limited ('WDL' 'SPV') through investment and loan made to SPV.

f) Provision made for impairment based on indication of diminution in value of advance to a firm / associates / entity.

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

h) 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.
2. Patel Engineering Inc.
3. Patel Engineering (Mauritius) Ltd.
4. Patel Engineering Singapore Pte. Ltd.
5. Patel Engineering Infrastructure Ltd.
6. Vismaya Constructions Pvt. Ltd.
7. Friends Nirman Pvt. Ltd.
8. Shreeanant Construction Pvt. Ltd.
9. Patel Patron Pvt. Ltd.
10. Bhooma Realties Pvt. Ltd.
11. Pandora Infra Pvt. Ltd. (Till 28th March 2023)
12. Patel Engineering Lanka Pvt. Ltd.
13. Shashvat Land Projects Pvt. Ltd.
14. Dirang Energy Pvt. Ltd. (DEPL)
15. West Kameng Energy Pvt. Ltd.
16. Digin Hydro Power Pvt. Ltd.
17. Meyong Hydro Power Pvt. Ltd.
18. Saskang Rong Energy Pvt. Ltd.
19. Hampus Infrastructure Pvt. Ltd.
20. Arsen Infra Pvt. Ltd.
21. Patel KNR Infrastructures Ltd.
22. PBSR Developers Pvt. Ltd.
23. Waterfront Developers Ltd.

B) Other subsidiaries:

Name of subsidiaries		% holding
1.	Welspun Michigan Engineers Ltd. (Till May 25, 2023) (Formally know as Michigan Engineers Pvt. Ltd)	51.00%
2.	Hera Realcon Pvt. Ltd.	97.13%
3.	Patel Energy Ltd.	99.99%
4.	Bellona Estate Developers Limited (w.e.f Aug 28, 2023)	92.92%

Notes to Consolidated Financial Statement

for the year ended March 31, 2024

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%	20.	PEL-ISC-PRATHMESH JV	50.00%
2.	CICO Patel JV	99.90%	21.	ISC Projects-PEL JV	49.00%
3.	Patel SEW JV	60.00%	21.	DK Joint venture LLP	51.00%
4.	PATEL –KNR J.V.	50.00%	23.	PATEL-SA JV	75.00%
5.	KNR – PATEL J.V.	49.00%	24.	Era Patel Advance Kiran JV	47.06%
6.	PATEL – SOMA J.V	50.00%	25.	Patel APCO JV	50.00%
7.	Patel – V Arks JV	65.00%	26.	Era Patel Advance JV	30.00%
8.	Patel VI JV	51.00%	27.	Patel – Siddhivinayak JV	51.00%
9.	Patel – Avantika – Deepika – BHEL	52.83%	28.	PATEL - CIVET-CHAITRA Micro(KA) JV	51.00%
10.	Patel – V Arks - Precision	60.00%	29.	VPRPL - PEL JV	51.00%
11.	Age Patel JV	49.00%	30.	Mokhabardi Micro Irrigation Project JV	51.00%
12.	PEL - UEIPL JV	60.00%	31.	PEL-PC JV	80.00%
13.	PEL-PPCPL-HCPL JV	51.00%	32.	PEL-CIVET Project JV	51.00%
14.	Onycon Enterprises	60.00%	33.	Jai Sai Construction JV	60.00%
15.	PEL-Gond JV	45.00%	34.	VIDPL LIS1 JV	51.00%
16.	HES Shuthaliya JV	45.00%	35.	VKMCPL-PEL JV	35.00%
17.	PEL-Parbati JV	52.00%	36.	DBL-PEL JV	35.00%
18.	NEC-PEL- JV	45.00%	37.	Raj Infra Deoghar JV	40.00%
19.	PEL - Ghodke	51.00%			

D) Hitodi Infrastructure Pvt. Ltd., Patel advance JV, 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. (BEDL) had 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 was measured in accordance with the requirements of Ind AS 105 and presented in the consolidated financial statements as disposal group till August 27, 2023. Subsequently, after disposal of BEDL assets under the said disposal plan, company has acquired the additional shares and it is consolidated as a subsidiary.

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

Notes to Consolidated Financial Statement

for the year ended March 31, 2024

of profit and loss as actuarial loss. Any loss / gain arising out of the investment with the plan is also recognized as expense or income in the period in which such loss / gain occurs.

II Disclosures for defined benefit plan based on actuarial reports as on March 31, 2024 and March 31, 2023:

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

₹ Million

	Gratuity (Funded)	Gratuity (Non - funded)
Current service cost	34.22	4.44
	(28.19)	(5.67)
Interest cost (net)	7.52	1.82
	(9.11)	(1.89)
Net actuarial (gain) / losses	17.48	6.61
	(-4.45)	(-8.76)
Total expenses recognized in the statement of profit and loss	**59.22**	**12.87**
	(32.86)	(-1.20)

(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	(220.86)	(19.99)
	(-183.79)	(-24.30)
Fair value of plan assets as at the year end	125.25	-
	(84.37)	-
Funded liability recognized in the balance sheet	**(95.61)**	**(19.99)**
	(-99.43)	**(-24.30)**

(iii) Changes in defined benefit obligation :

	Gratuity (Funded)	Gratuity (Non - funded)
Liability at the beginning of the year	183.79	24.30
	(163.48)	(27.01)
Interest cost	13.89	1.82
	(11.82)	(1.89)
Current service cost	34.22	4.44
	(28.19)	(5.67)
Benefit paid	(27.73)	(3.78)
	(-15.65)	(-1.51)
Actuarial (gains) / losses on obligations	16.68	(6.79)
	(-4.04)	(-8.76)
Liability at the end of the year	**220.86**	**19.99**
	(183.79)	**(24.30)**

Notes to Consolidated Financial Statement

for the year ended March 31, 2024

(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	84.37	-
	(37.43)	-
Expected return on plan assets	6.38	-
	(2.71)	-
Contributions by the employer	63.04	-
	(59.48)	-
Benefit paid	(27.73)	-
	(-15.65)	-
Actuarial gain on plan assets	(0.81)	-
	(0.41)	-
Fair value of plan assets at the end of the year	125.25	-
	(84.37)	-
Total actuarial gain to be recognized	**17.48**	**-**
	₹(-4.45)	**-**

(v) Actual return on plan assets

	Gratuity (Funded)	Gratuity (Non - funded)
Expected return on plan assets	6.38	-
	(2.71)	-
Actuarial gain on plan assets	(0.81)	-
	(0.41)	-
Actuarial gain on plan assets	5.57	-
	(3.11)	-

(vi) The Group expects to contribute ₹ 100.78 million (P.Y. ₹ 95.09 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, 2024

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

	Gratuity (Funded)	Gratuity (Non - funded)
Discount rate	7.22%	7.22%
	(7.56%)	(7.50%)
Rate of increase in compensation levels	5.50%	5.50%
	(5.50%)	(5.50%)
Expected rate of return on plan assets	7.22%	-
	(7.56%)	-
Attrition rate	4.00%	4.00%
	(4.00%)	(4.00%)
Average age of retirement (years)	62	60
	(62)	(60)

(ix) Experience adjustments

	Gratuity (Funded)	Gratuity (Non - funded)
On plan obligation (gain)/loss	10.59	(7.27)
	(0.96)	(-8.08)
On plan asset (loss)/gain	(0.81)	-
	(0.41)	-

(x) Expected employer's contribution in future years

	Gratuity (Funded)	Gratuity (Non - funded)
1 years	18.09	1.08
	(19.87)	(1.28)
Between 2 to 5 years	61.87	4.54
	(50.72)	(5.77)
Beyond 5 years	394.18	51.01
	(333.31)	(62.75)
The weighted average duration of the defined benefit plan obligation at the end of the reporting period (years)	10	13
	(10)	(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 ₹ 159.74 million (P.Y. ₹ 188.65 million).

Notes to Consolidated Financial Statement

for the year ended March 31, 2024

35 LEASE

Disclosure as per IND AS 116

a) Amount recognised under statement of profit and loss

Particulars	2023-24	2022-23
Depreciation	46.76	60.35
Interest on lease liability	25.13	29.89
Expenses related to short term Leases	71.67	80.91
Total expenses	**143.57**	**171.15**

b) Maturities of lease liabilities as

₹ Million

Particulars	Less than 1 year	1 - 5 years	More than 5 years	Total
At March 31, 2024				
Lease Liabilities	120.65	123.52	-	244.17
At March 31, 2023				
Lease Liabilities	92.67	78.19	-	170.86

36 EARNING PER SHARE (EPS)

	2024 ₹ Million	2023 ₹ 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 (from Continuing operation)	2,817.63	1,320.98
Net profit as per the consolidated statement of profit and loss available for shareholders for both basic and diluted EPS of Re. 1/- each (from discontinuing operation)	(119.73)	351.06
Weighted average number of equity shares for basic EPS (in No)	773,617,228	524,625,625
Add: weighted average potential equity shares		
- On issue of optionally convertible debentures	93,077,755	355,940,628
Weighted average number of equity shares for diluted EPS (in No)	866,694,983	880,566,253
Face value of share ₹	1	1
Earning per share from continuing operation (basic) ₹	3.64	2.85
Earning per share from continuing operation (diluted) ₹	3.54	2.03
Earning per share from discontinuing operation (basic) ₹	(0.15)	0.34
Earning per share from discontinuing operation (diluted) ₹	(0.15)	0.34

Notes to Consolidated Financial Statement

for the year ended March 31, 2024

37 RELATED PARTY DISCLOSURE

Related party disclosures, as required by Ind AS 24, 'Related Party Disclosures', are given below:

A. Name of related parties and nature of relationship :-

Direct associates:

1 ACP Tollways Pvt. Ltd.

2 Raichur Sholapur Transmission Company Pvt. Ltd. (till 9/11/2022)

3 Bellona Estate Developers Ltd. (Till Aug 28, 2023)

4 Hitodi Infrastructure Pvt. Ltd. (Formally known as Hitodi Infrastructure Ltd.)

Associate of Patel Engineering Infrastructure Ltd.

1 Patel KNR Heavy Infrastructure Ltd.

Associate of Lucina Realtors Private Limited

1 PAN Realtors Pvt. Ltd.

Joint ventures: (refer note 33 (c)

Partnership

1. 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 (Till Oct 13, 2023)	Whole Time Director
Ms. Kavita Shirvaikar	Whole Time Director and Chief Financial Officer
Mr. Tirth Nath Singh (from Nov 3, 2023)	Whole Time Director Projects and Corporate Affairs
Ms. Shobha Shetty	Company Secretary

C. Transaction with related parties with associate companies, joint operations, partnership and others referred to in item (A) above.

₹ Million

Particular	Associates / joint operations / partnership/others	
	2023-24	2022-23
- Investment in equity / preference shares	1.10	-
- Misc receipt	1.37	32.19
- Loans/advances given & Current account movement	97.59	7.45
- Loans / advances recovered / adjusted	50.50	140.78
- Reimbursement of expenses from	-	1.90
- Sundry balances written off	-	14.36
- Purchase of financial assets	-	123.10
- Other operating income	265.19	43.19
- Provision / (Reversal) for impairment of investment	1.10	240.20
- Provision /(Reversal) for impairment of loans and advances	(87.91)	0.89

Notes to Consolidated Financial Statement

for the year ended March 31, 2024

₹ Million

Particular	Associates / joint operations / partnership/others	
	2023-24	2022-23
- Loan taken	5.97	1,063.10
- Sale of service	651.13	585.05
- Decrease/(Increase) in Corporate Guarantee exposure	3,126.07	658.75
- Repayment of loan	110.75	1,309.17
Outstanding Balances	**2023-24**	**2022-23**
- Corporate guarantee outstanding as at the end of the year	279.92	3,405.98
- Bank guarantee outstanding as at the end of the year	92.36	92.36
- Outstanding balance included in current/ non current assets	967.35	922.33
- Outstanding balance included in current / non current liabilities	1,509.93	1,452.64

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	2023-24	2022-23
- Investment in equity / preference shares	Bellona Estate Developers Ltd.	1.10	-
- Mise receipt	Patel Michigan JV	-	30.34
	NEC PEL JV	1.32	-
- Loans/advances given & current account movement	Bellona Estate Developers Ltd.	13.78	-
	Patel Sew JV	81.55	7.38
- Loans / advances recovered / adjusted	Raichur Solapur Transmission Company Pvt. Ltd.	-	30.34
	Patel Sew JV	50.36	65.44
	Patel Michigan JV	-	45.00
- Reimbursement of expenses	Bellona Estate Developers Ltd.	-	0.89
	Raichur Solapur Transmission Company Pvt. Ltd.	-	1.02
- Sundry balances written off	Raichur Solapur Transmission Company Pvt. Ltd.	-	14.36
- Purchase of financial assets	Patel KNR JV	-	120.45
- Other operating income	Hitodi Infrastructure Pvt. Ltd	96.77	-
	DBL PEL JV	17.40	-
	VPRPL-PEL JV	-	14.89
	Patel KNR JV	-	6.14
	NEC PEL JV	92.06	20.78
	PEL Civit Project JV	20.01	-
- Provision / (Reversal) for impairment of investment	Bellona Estate Developers Ltd.	1.10	-
	Hitodi Infrastructure Pvt. Ltd	-	240.20

Notes to Consolidated Financial Statement

for the year ended March 31, 2024

₹ Million

Particular	Name of the Company	2023-24	2022-23
- Provision/(reversal) for impairment of loans and advances	Bellona Estate Developers Ltd.	(87.91)	0.89
- Loan taken	Raahitya Constructions Private Limited	-	1,050.00
	Hitodi Infrastructure Pvt. Ltd	5.97	13.10
- Sale of service	Patel Sew JV	492.83	574.46
	PEL PC JV	158.30	-
- Decrease/(Increase) in Corporate Guarantee exposure	Raichur Solapur Transmission Company Pvt. Ltd.	-	697.53
	Patel Sew JV	51.67	(3.70)
	Bellona Estate Developers Ltd.	3,074.39	-
- Repayment of loan	Raahitya Constructions Private Limited	-	1,300.00
	Hitodi Infrastructure Pvt. Ltd	110.75	9.17

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

₹ Million

Particular	2023-24	2022-23
Managerial remuneration	91.80	78.06
Salary and contribution to provident fund	4.78	4.22
ESOP	-	-
Outstanding balance payable	3.68	7.13
Outstanding balance receivable	-	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 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, 2024 Business segments			
	EPC	Real estate	Others	Total
Segment revenue	45,408.45	32.63	-	45,441.08
Segment results - Continuing operations	3,126.93	70.00	4.10	3,201.03
Segment results - Discontinuing operations	(119.73)			(119.73)
Segment assets - Continuing operations	79,347.20	7,399.99	3,214.07	89,961.25
Segment assets - Discontinuing operations	-	-	-	-
Segment liabilities - Continuing operations	55,434.82	2,855.20	53.94	58,343.97
Segment liabilities - Discontinuing operations	-	-	-	-
Addition to fixed assets	1,476.34	29.04	1,051.69	2,557.06
Segment depreciation	972.71	2.67	0.76	976.14

Notes to Consolidated Financial Statement

for the year ended March 31, 2024

₹ Million

Particulars	As at March 31, 2023			
	Business segments			
	EPC	Real estate	Others	Total
Segment revenue	38,479.89	431.58	-	38,911.47
Segment results - Continuing operations	1,814.06	63.35	3.19	1,880.60
Segment results - Discontinuing operations	501.28	-	-	501.28
Segment assets - Continuing operations	71,128.37	10,165.28	3,384.17	84,677.82
Segment assets - Discontinuing operations	2,893.08			2,893.08
Segment liabilities - Continuing operations	53,632.36	3,138.45	66.53	56,837.35
Segment liabilities - Discontinuing operations	975.79			975.79
Addition to fixed assets	2,088.79	25.47	25.98	2,140.24
Segment depreciation	807.79	0.38	0.82	808.99

Geographical segment :

₹ Million

Particulars	As at March 31, 2024		
	Within India	Outside India	Total
Revenue	41,821.56	3,619.52	45,441.08
Non current assets	31,279.11	507.91	31,787.02

₹ Million

Particulars	As at March 31, 2023		
	Within India	Outside India	Total
Revenue	35,026.43	3,885.04	38,911.47
Non current assets	31,527.51	799.26	32,326.77

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, 2024	As at March 31, 2023
Revenue from top customer	5,754.64	5,135.37
Revenue from top five customers	18,471.29	17,649.57

39 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.

40 The Group has ₹ 274.31 million (P.Y. ₹ 93.81 million) due to trade payable and other payable under the micro small and medium enterprise development act, 2006, as at March 31, 2024. The principal amount due to the suppliers under the Act is ₹ 229.59 million (P.Y. ₹ 73.16 million). The interest accrued and due to the suppliers on the above amount is ₹ 42.24 million (P.Y. ₹ 19.95 million). Payment made to the suppliers (other than interest) beyond appointed day during the year is ₹ 3.31 million (P.Y. ₹ 2.50 million). Interest paid to the suppliers under the act is ₹ 2.03 Million (P.Y. Nil). Interest due and payable to the suppliers under the act towards payments already made is ₹ 2.48 million (P.Y. ₹ 0.70 million). Interest accrued and remaining unpaid at the end of the accounting year is ₹ 44.72 million (P.Y. ₹ 20.65 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 ₹ 23.33 million (P.Y. ₹ 18.68 million).

Notes to Consolidated Financial Statement

for the year ended March 31, 2024

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.

41 Derivative transactions :

Foreign currency exposure that are not hedged by derivative instruments as on March 31, 2024 amounting to ₹ 2,574.64 million (P.Y. ₹ 2,011.55 million).

Foreign currency exposure outstanding at ₹ Million

Particulars	March 31, 2024		March 31, 2023	
	Amount in foreign currency	Amount in functional currency	Amount in foreign currency	Amount in functional currency
Assets				
Trade receivable				
EURO	0.38	34.44	0.39	34.99
NPR	101.37	63.36	116.42	72.76
USD	0.54	45.30	0.60	49.10
Security deposit				
EURO	0.03	3.08	0.03	3.06
JPY	36.22	19.95	36.22	22.37
NPR	302.05	188.78	411.85	257.41
USD	0.00	0.06	0.00	0.06
Inventories				
NPR	2,791.22	1,744.51	3,065.10	1,915.69
Interest accrued				
EURO	0.01	0.70	0.01	0.70
NPR	0.61	0.38	0.74	0.46
Cash and bank balance				
LKR	0.03	0.01	0.03	0.01
MUR	-	-	0.00	0.01
NPR	284.07	177.55	89.52	55.95
Advance to contractor /suppliers				
NPR	777.05	485.65	1,168.88	730.55
Loan and interest thereon to group companies				
MUR	-	-	43.63	78.61
USD	-	-	21.17	1,739.65
Fixed assets				
NPR	631.97	394.98	783.61	489.75
Other advance				
MUR	6.79	12.19	2.85	5.14
NPR	357.63	223.52	305.45	190.90
Other Current financial assets				
USD	25.54	2,128.88	-	-
Liability				
Security deposit				
NPR	(10.13)	(6.33)	(24.13)	(15.08)

Notes to Consolidated Financial Statement

for the year ended March 31, 2024

Foreign currency exposure outstanding at ₹ Million

Particulars	March 31, 2024		March 31, 2023	
	Amount in foreign currency	Amount in functional currency	Amount in foreign currency	Amount in functional currency
Advance from contractor				
EURO	(4.40)	(352.29)	(4.40)	(352.29)
NPR	(693.97)	(433.73)	(1,908.92)	(1,193.07)
USD	(0.07)	(4.55)	(0.07)	(4.55)
Trade payable				
EURO	(1.43)	(128.69)	(1.92)	(166.90)
NPR	(2,555.97)	(1,597.48)	(2,424.20)	(1,515.12)
SGD	-	-	-	-
USD	(0.14)	(11.58)	(0.13)	(10.64)
Other liability				
NPR	(659.36)	(412.10)	(600.54)	(375.34)
USD	(0.02)	(1.93)	(0.03)	(2.63)

42 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 ₹ 25.85 million (P.Y. ₹ 29.38 million) and appropriate disclosure for contingent liabilities is given.

43 Contingent liabilities

(a) Commitment for capital expenditure is ₹ 339.53 million (P.Y. ₹ 1,218.38 million), advance paid ₹ 65.96 million (P.Y. ₹ 144.43 million).

(b) Outstanding secured guarantees in respect of contractual commitments in the ordinary course of business of the company and group entities is ₹ 22,180.40 million (P.Y. ₹ 21,464.50 million) (including customs ₹ 42.88 million (P.Y. ₹ 42.88 million). Corporate guarantees / letter of credit on behalf of subsidiaries and others is ₹ 279.92 million (P.Y. ₹ 4,220.85 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 ₹ 1,882.33 million (P.Y. ₹ 1,467.03 million) and advance paid ₹ Nil (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 ₹ 132.44 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)).

(e) Income tax liability that may arise on matters in appeal by department and/or us for ₹ 4,452.15 million (P.Y. ₹ 3,435.28 million).

(f) Provident fund liability that may arise on matter in appeal ₹ 15.79 million (P.Y. ₹ 15.79 million) and advance paid ₹ 14.63 million (P.Y. ₹ 14.63 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 case are pending with various courts and are scheduled for hearings. After considering the circumstances, management believes that these case will not adversely effect its consolidated financial statement.

(h) A part of the immovable property belonging to the Group has been offered as shortfall undertaking in form of security in favour of a bank against credit facilities availed by strategic partners and the Group is under commitment to construct specific area for land owner.

Notes to Consolidated Financial Statement

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44 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	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount
Parent				
Patel Engineering Ltd.	99.76%	31,459.31	109.12%	2,881.80
Subsidiaries				
Indian				
1 Arsen Infra Pvt. Ltd.	0.00%	1.41	-0.01%	(0.21)
2 Hera Realcon Pvt. Ltd. - (97.13%)	0.00%	(1.27)	0.00%	(0.07)
3 PBSR Developers Pvt. Ltd.	-1.57%	(495.20)	-9.21%	(243.28)
4 Patel Engineering Infrastructure Ltd.	1.01%	317.96	-0.48%	(12.56)
5 Friends Nirman Pvt. Ltd.	0.07%	21.88	0.02%	0.58
6 Patel Patron Pvt. Ltd.	0.61%	192.97	-0.01%	(0.21)
7 Shashvat Land Projects Pvt. Ltd.	-0.09%	(28.36)	0.00%	(0.08)
8 Vismaya Constructions Pvt. Ltd.	0.34%	108.30	0.00%	(0.06)
9 Bhooma Realties Pvt. Ltd.	-0.24%	(75.35)	-0.09%	(2.41)
10 Energy Design Pvt. Ltd.	-0.22%	(69.83)	0.00%	(0.09)
11 Shreeanant Construction Pvt. Ltd.	-0.18%	(56.73)	-0.07%	(1.92)
12 Michigan Engineers Pvt. Ltd.	0.00%	-	-4.53%	(119.73)
13 Hampus Infrastructure Pvt. Ltd.	0.00%	(0.39)	0.00%	(0.03)
14 Patel KNR Infrastructure Ltd	3.18%	1,001.50	19.65%	519.06
15 Dirang Energy Pvt. Ltd.	2.23%	703.12	-0.04%	(1.15)
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	0.57%	180.81	0.50%	13.18
21 Bellona Estate Developers Limited	-1.64%	(516.63)	0.72%	19.02
Foreign				
1 Patel Engineering Inc.	0.28%	89.55	-0.02%	(0.61)
2 Patel Engineering (Mauritius) Ltd.	-0.02%	(7.13)	12.75%	336.81
3 Patel Engineering (Singapore) Pte. Ltd.	0.51%	161.69	26.25%	693.26
4 Waterfront Developers Ltd.	0.48%	151.29	25.23%	666.28
5 Patel Engineering Lanka Ltd.	-0.12%	(38.99)	-1.06%	(27.94)
Non-controlling interest	0.26%	81.10	7.74%	204.47
Associate (as per proportionate consolidation/Investment as per the equity method)				
1. ACP Tollways Pvt. Ltd.	0.63%	199.26	0.70%	18.56
2. Hitodi Infrastructure Ltd.	0.00%	-	0.00%	-
3. Patel Advance JV	1.64%	517.52	0.00%	0.09

Notes to Consolidated Financial Statement

for the year ended March 31, 2024

45 Disclosure pursuant to Ind AS 115, "Revenue from Contracts with Customers".

(i) Disaggregation of revenue from contracts with customers for the year ended March 31, 2024 recognised in the statement of profit & loss

	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Primary geographical market wise		
Domestic	41,821.56	35,026.43
International	3,619.52	3,885.04
Major product/service lines wise		
EPC	45,408.45	38,479.89
Real estate	32.63	431.58
Others	-	-
Timing of revenue recognition wise		
At a point in time	2,689.84	1,287.72
Over period of time	42,751.24	37,623.75

(ii) Unsatisfied Performance Obligations

The aggregate amount of transaction price allocated to performance obligations that are unsatisfied as at the end of reporting period is ₹ 18,663 crore (PY: ₹ 17,585 crore). Most of Company's contracts have a life cycle of three to five years. Management expects that around 25% - 30% of the transaction price allocated to unsatisfied contracts as of 31 March 2024 will be recognised as revenue during next reporting period depending upon the progress on each contracts. The remaining amounts are expected to be recognised over the next three to five years. The amount disclosed above does not include variable consideration.

(iii) Contract Balances

Particulars	Contract Assets (Unbilled Work in Progress	Contract Liabilities	Net Contract Balance
Balance as at April 1, 2022	29,521.62	13,260.41	16,261.21
Net Increase / (decrease)	1,488.76	(902.61)	2,391.36
Balance as at March 31, 2023	31,010.38	12,357.81	18,652.57
Net Increase / (decrease)*	373.57	(4,756.91)	5,130.49
Balance as at March 31, 2024	31,383.95	7,600.89	23,783.06

*Due to swapping of higher interest bearing contract liabilities of ₹ 2,520 Million with low interest rate loan, contract liability has decreased in FY 23-24.

iv) There are no reconciliation items between revenue from contracts with customers and revenue recognised with contract price.

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for the year ended March 31, 2024

46 Category-wise classification of financials instruments

₹ Million

	Non current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Financial assets measured at FVTPL				
Investment	969.92	772.59		
Financial assets measured at amortized cost				
Investments	584.80	581.53	-	-
Trade receivables	3,007.06	3,606.79	5,539.21	5,038.74
Loans	813.54	887.94	35.40	59.58
Deferred finance cost	22.25	70.31	-	-
Other assets	6,454.76	6,096.45	4,143.34	1,407.35
Cash and cash equivalents	-	-	3,387.54	2,083.01
Other bank balances	-	-	-	-

₹ Million

	Non current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Financial liabilities measured at amortized cost				
Borrowings	5,572.64	5,324.96	13,282.28	12,082.80
Lease liabilities	123.52	78.19	120.65	92.67
Trade payables	6,391.52	6,182.14	18,640.95	15,036.21
Other financial liabilities	2,266.97	2,042.57	333.29	259.33

47 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, 2024 ₹ Million

Financial asset measured at FVTPL	Fair value as at March 31, 2024	Fair value hierarchy		
		Quoted prices in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
Investments	969.92	799.35	170.52	0.05

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	772.59	660.73	111.86	-

ii) Financial instrument measured at amortised 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.

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48 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, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
+50 basis point	(117.31)	(134.64)	(76.32)	(87.59)
-50 basis point	117.31	134.64	76.32	87.59

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 Group does not enter into any derivative instruments for trading or speculative purposes.

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

₹ Million

Currency	Liabilities		Assets	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
EURO	480.98	519.19	38.22	38.75
JPY	-	-	19.95	22.37
LKR	-	-	0.01	0.01
MUR	-	-	12.19	83.76
NPR	3,085.83	3,098.62	3,914.91	3,713.48
USD	18.06	17.82	2,174.24	1,788.81

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. 41.

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, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
+5%	22.14	24.02	14.40	15.63
-5%	(22.14)	(24.02)	(14.40)	(15.63)

₹ Million

Change in USD rate	Effect on profit before tax		Effect on total equity	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
+5%	107.81	88.55	70.14	57.61
-5%	(107.81)	(88.55)	(70.14)	(57.61)

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, 2024

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, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
+5%	48.50	38.63	31.55	25.13
-5%	(48.50)	(38.63)	(31.55)	(25.13)

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, 2024				
Borrowings*	13,282.28	5,567.12	5.52	18,854.92
Lease liability	120.65	123.52	-	244.17
Trade payables	18,640.95	6,391.52	-	25,032.47
Other financial liability	333.29	2,266.97	-	2,600.26
At 31st March, 2023				
Borrowings*	12,082.80	5,136.91	188.05	17,407.76
Lease liability	92.67	78.19	-	170.86
Trade payables	15,036.21	6,182.14	-	21,218.35
Other financial liability	259.33	1,966.04	76.53	2,301.90

*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, 2024

49 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, 2024, the Group has only one class of equity shares and has moderate debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Group allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans. Consistent with others in the industry, the Group monitors its capital using the gearing ratio which is total debt divided by total capital.

₹ Million

Particulars	As at March 31, 2024	As at Mar 31, 2023
Total debt	18,854.92	17,407.76
Total equity	31,536.20	28,879.56
Total debt to total equity ratio (gearing ratio)	0.60	0.60

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.

50 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. Nil (P.Y. 3%), Adira Buildcon Pvt Ltd 26% (PY Nil) & Broadcast Lawgical Networks Pvt. Ltd. 25% (P.Y. 48%).

51 During the year group has made a political contribution of ₹ 19.65 million (P.Y. 130.00 million) to political parties.

52 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.

53 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, 2024.

54 The Company allotted 7,07,58,889 equity shares on April 25, 2024 at an issue price of ₹ 56.53 aggregating to ₹ 4,000 million to eligible QIBs. Post the said allotment the paid up share capital of Company stood at ₹ 84,43,76,117.

55 Ageing of trade payable

Particulars	Outstanding for following periods from due date of payment					
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Unbilled / not due	Total
As on March 31, 2024						
(i) MSME	55.26	115.91	10.14	83.28	9.73	**274.31**
(ii) PRW	3,464.90	789.49	244.36	862.03	11,006.36	**16,367.14**
(iii) Others trade creditors	5,480.83	1,897.33	87.44	675.07	185.57	**8,326.25**
(iv) Disputed dues — MSME	-	-	-	-	-	**-**
(v) Disputed dues - others	0.01	-	0.67	56.98	7.11	**64.76**
Total	**9,001.00**	**2,802.73**	**342.61**	**1,677.35**	**11,208.78**	**25,032.47**
As on March 31, 2023						
(i) MSME	55.02	2.98	11.17	4.00	20.64	**93.81**
(ii) PRW	2,967.91	356.11	303.37	584.41	9,739.95	**13,951.75**
(iii) Others trade creditors	5,287.19	280.53	415.34	788.68	352.51	**7,124.25**
(iv) Disputed dues — MSME	-	-	-	-	-	**-**
(v) Disputed dues - others	0.05	-	1.32	11.33	35.84	**48.55**
Total	**8,310.16**	**639.63**	**731.20**	**1,388.43**	**10,148.94**	**21,218.36**

Notes to Consolidated Financial Statement

for the year ended March 31, 2024

56 Additional regulatory information required by schedule III to the companies act, 2013

i) The Group does not have has any benami property held in its name. No proceedings have been initiated on or are pending against the Group for holding benami property under the benami transactions (prohibition) act, 1988 (45 of 1988) and rules made thereunder.

ii) The Group does not have any charges or satisfaction of charges which is yet to be registered with registrar of companies beyond the statutory period.

iii) The Group has not traded or invested in crypto currency or virtual currency during the year.

iv) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall:

a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

v) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

b) Provide any guarantee, security or the like on behalf of the ultimate beneficiaries to third parties

vi) There is no income surrendered or disclosed as income during the year in tax assessments under the income tax act, 1961 (such as search or survey), that has not been recorded in the books of account.

vii) The Company has complied with the requirements of the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

viii) The Company has not entered into any scheme of arrangement which has an accounting impact on the standalone financial statements for the current or previous year.

57 Key financials ratio

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% Variance	Reason for variance
Current ratio	Total current assets	Total current liabilities	1.45	1.44	0%	
Debt-equity ratio	Total debt	Total equity	0.60	0.60	-1%	
Debt service coverage ratio	Earning before depreciation interest and taxes	Interest + current maturity of LTD payable in current year	1.70	0.98	73%	Due to robust Group performance, reduction in interest bearing debt/advance and operation efficiencies EBIT has increased.
Return on equity ratio	Profit after tax	Total equity for parent	9.20%	6.35%	45%	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	8.59	7.30	18%	

Notes to Consolidated Financial Statement

for the year ended March 31, 2024

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% Variance	Reason for variance
Trade payable turnover ratio	Cost of materials consumed	Average of opening and closing of current trade payable	1.32	1.57	-16%	
Net capital turnover ratio	Revenue from operation	Working capital (current assets - current liabilities)	2.52	2.29	10%	
Net profit ratio	Profit after tax including associates	Revenue from operation	6.39%	4.72%	35%	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)	13.54%	12.97%	4%	
Return on investment	Profit available to equity shareholder	Equity attributable to owners of the parent	9.02%	5.92%	52%	Due to robust performance of the Group 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.

58 Discontinued Operations

On May 25, 2023, the Group has completed the sell of its partily equity stake in its subsidiary viz Michigan Engineers Pvt. Ltd and recognised the operations of the subsidiary as Discontinued Operations. Assets and liability of the operations are classified as "Assets held for sale" in the corresponding previous year and the result of operations has been presented as discontinued operations in the Consolidated Statement of Profit and Loss for the year ended March 31, 2024.

a) The Financial Performance of the Discontinued Operations for the the year ended March 31, 2024 is as follows:

Particulars	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Total Income	326.13	3,164.05
Total Expenses	264.74	2,662.77
Profit/loss before tax	61.39	501.28
Exceptional Items	421.18	-
Tax	-	150.23
Profit/loss after tax	(359.79)	351.06
Less: Minority Interest	(176.30)	172.35
Owner shares in discontinued Operations	(183.49)	178.71
Profit on dilution of stake in discontinued Operations	63.76	-
Net impact of discontinued Operations in Consol financials Statements	(119.73)	178.71

Notes to Consolidated Financial Statement

for the year ended March 31, 2024

b) The following assets and liabilities were classified as held for sale in relation to the discontinued operation:

Particulars	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Assets of disposal group classified as held for sale		
Total Current Assets	-	2,178.84
Total Non Current Assets	-	714.24
Total Assets of disposal group	**-**	**2,893.08**
Liability of disposal group classified as held for sale	-	
Total Current Liabilities	-	737.08
Total Non Current Liabilities	-	238.71
Total Liability of disposal group	**-**	**975.79**

58 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 18, 2024

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

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"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information, and which includes 37 joint operations accounted on proportionate basis and 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, and based on the consideration of reports of the other auditors on separate financial statements of the joint operations referred to in the Other Matters section below, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (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 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, its cash flows and the changes in equity 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 Companies Act,2013 ("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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2024. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr No	Key Audit Matter	Auditors Response
1	**Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers"** The application of the revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, the revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.	**Principal Audit Procedures** Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • Evaluated the design of internal controls relating to implementation of the revenue accounting standard. • Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, performance and inspection of evidence in respect of operation of these controls.

Sr No	Key Audit Matter	Auditors Response
	Refer notes 1. k and 25 to the Standalone Financial Statements.	• 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: 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	**Accounting of contract work-in-progress for engineering construction projects** The company recognized contract revenue and contract costs from contract work-in-progress for engineering construction projects by reference to the stage of completion of the contract activity at the end of each reporting period. The stage of completion is measured by reference to work performed. The accounting for such engineering construction projects is complex due to high level of estimation in determining the costs to complete. This is due to the nature of the operations, which may be impacted by the technological complexity of projects, the precision of cost estimation during the budgeting process and the actual progress of each project during the financial year. Accordingly, the accounting of contract work-in progress for engineering construction projects is identified as a key audit matter. Refer notes 1.j and 10 to the Standalone Financial Statements.	**Principal Audit Procedures** Our audit procedures included the following: • Review of contract terms and conditions and the contractual sums and substantiated project revenues and costs incurred against underlying supporting documents. • Perused customers and subcontractor correspondences and discussed the progress of the projects with project managers for any potential disputes, variation order claims, known technical issues or significant events that could impact the estimated contractual costs. • Analyzed changes in estimates of costs from prior periods and assessed the consistency of these changes with progress of the projects during the year.

Sr No	Key Audit Matter	Auditors Response
3	**Valuation of claims under settlement** The Company has certain significant open legal proceedings under arbitration for various complex matters with the Clients and other parties, continuing from earlier years, which are as under: • Non acceptance of certain work by the client. • Cost overruns in certain contracts. • Reimbursement of the cost incurred by the company for the client. Due to complexity involved in these litigation matters, the recognition of claims/variations are included in revenues when it is highly probable of recovery based on estimate and assessment of each item by the management based on their experience of recovery Refer note 1 k and 25 to the Standalone Financial Statements.	**Principal Audit Procedures** Our audit procedures included the following: • Assessing the procedures implemented by the Company to identify and gather the risks it is exposed to. • Obtaining an understanding of the risk analyses performed by the Company, with the relating supporting documentation, and studying written statements from internal and external legal experts, where applicable. • Discussion with the management on the development in these litigations during the year ended March 31, 2024. • Obtaining representation letter from the management on the assessment of these matters as per SA 580 (revised) – Written representations.
4	**Assessment of impairment of investment in and loans given to subsidiaries, joint ventures and associates** 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. Refer notes 3 and 5 to the Standalone Financial Statements	**Principal Audit Procedures** We gained an understanding of the process used by the Company to assess the valuation of Investments and Loans & advances, analyze their recoverability and impairment tests performed by the management, and verified that the criteria used to perform these tests are consistent with those established in applicable reporting standards. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • Consideration and evaluation of company's analyses on its overall exposure to each of these subsidiaries; • Analyses and assessment of the appropriateness of the key judgements and assumptions, used by company's management. As a result of our analysis and test performed, we consider that Management's conclusion regarding providing impairment on investments, wherever required, the estimates made and the information disclosed in the accompanying annual accounts are adequately supported and are consistent with the information currently available

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

The Board of Directors of the Company 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.

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 Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone 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, management and Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Standalone 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 Standalone 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 Standalone Financial statements, including the disclosures, and whether the Standalone 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 Company and its joint operations to express an opinion on the Standalone Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the Standalone Financial Statements of which we are the independent auditors. For the other entities or business activities included in the Standalone Financial Statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

Other Matters

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

    i. the real estate division, included in the Standalone Financial Statement, whose financial information reflects Total assets of ₹ 5,215.57 Million as at March 31, 2024, total revenues of ₹ 214.24 Million, Total Profit after tax (net) ₹ 740.08 Million, total comprehensive income of ₹ 740.08 Million for the year ended March 31, 2024 respectively, as considered in the Standalone Financial Statement. The financial information of this real estate division has been audited, as applicable, by the branch auditor whose reports have been furnished to us by the Management of the Company, and our opinion and conclusion in so far as it relates to the amounts and disclosures included in respect of these real estate division is based solely on the reports of such other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.

    ii. 30 joint operations included in the Standalone Financial Statement, whose financial information reflects total assets of ₹ 4,321.96 Million as at March 31, 2024 and Company's Share in total revenues of ₹ 12,583.98 Million, total net profit/(loss) after tax of ₹ (11.14) Million, total comprehensive income of ₹ (11.14) Million for the year ended March 31, 2024 respectively, as considered in the Standalone Financial Statement. The financial information of these joint operations have been audited, as applicable, by the other auditors whose reports have been furnished to us by the Management of the Company, and our opinion and conclusion in so far as it relates to the amounts and disclosures included in respect of these joint operations, is based solely on the reports of such other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.

    iii. The Standalone Financial statement includes the unaudited financial information of 6 joint operations, whose financial information reflects Total assets of ₹ 220.56 Million as at March 31, 2024 and Company's share in Total revenues of ₹ NIL total net profit/(loss) after tax of ₹ NIL, total comprehensive income of ₹ NIL for the year ended March 31, 2024 respectively, whose financial statement and other financial information has not been audited by the respective auditor. This financial information are unaudited and have been furnished to us by the Company's Management and our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this joint operation, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, this financial information is not material to the Company.

    Our opinion on the Standalone Financial Statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these 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" 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, based on our audit and based on the consideration of the reports of other auditors on the separate financial information of the real estate division and joint operations,

referred to in Other Matters section above we report, to the extent applicable that:

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

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditor

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 March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.

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 March 31, 2024 on its financial position in its Standalone Financial statements to the extent determinable/ascertainable. – Refer Note 43 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 (i) and (ii) of Rule 11(e) contain any material mis-statement; and.

v. During the year no dividend is declared or paid by the company.

i) Based on our examination which included test checks, the Company has used accounting software(s) for maintaining its books of account for the financial year ended March 31, 2024, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software(s). Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024

For Vatsaraj & Co.
Chartered Accountants
FRN: 111327W

Dr CA B.K. Vatsaraj
Partner
M. No.:039894
UDIN: 24039894BKHIAJ1260

Mumbai, 18th May, 2024

Annexure A to the Independent Auditors' Report on Standalone Financial Statements of Patel Engineering Limited as on 31st March 2024, 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, capital work-in progress and relevant details of 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	3,513.77	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	269.90	PEL Power Ltd.			
Building	7.52	PEL Power Ltd.			
Land	4.66	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	139.23	Mrs. Silloo Yezdi Patel	Ex-director	FY 2001-02	
Land	319.82	Mr. Rupen Pravin Patel	Director	FY 2000-01	

(d) The Company has revalued its land class under Property, Plant and Equipment's under the revaluation model based on the valuation made by registered valuer and no other tangible and intangible assets revalued during the year. The details of changes in the aggregate of the net carrying value pursuant to the above revaluation, is not more than 10% of the land carrying cost.

(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 or financial institutions 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 or financial institutions are in agreement with the books of account and no material discrepancies have been observed.

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 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 granted unsecured loans to companies and entities. The aggregate amount of unsecured loan granted ₹ 154.22 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, and joint operations is ₹ 399.72 million and ₹ 5,650.89 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 Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under 3 clause (iii)(f) is not applicable

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 grant of loans, making investments, providing guarantees and security during the year, as applicable.

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. 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 including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues 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	32.18	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

Particulars	Financial year to which amount relates	Amounts in Million (₹)	Forum where dispute is pending
Finance Act, 1994	April-2014 to Jun-2017	9.06	Commissioner Appeals II
	Feb 2009 to Mar 2013	194.23	Custom, Excise and Service Tax Appellate Tribunal
	2011 to 2014	71.52	
	October 2009 to September 2010	108.31	Hon'ble Supreme Court
	June 2007 to September 2009	651.88	Hon'ble Supreme Court
The Income Tax Act,1961	1999-2000 to 2008-09, 2012-13 & 2013-14	2,829.07	Hon'ble High Court
	2007-08,2010-11,2012-13 to 2015-16	810.61	Commissioner of Income Tax (Appeals)
CGST & SGST Act,	July 2018 to Mar 19	46.77	Hon'ble High Court Patna
	July,2017 to March,2020	242.14	Commissioner (Appeals-II)
	July-2017 to March,2018	132.56	The First Appellate Authority of Commercial Tax department
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)			
Service Tax	November 2009 to June 2012 [Service Tax]	220.34	Customs Excise and Service Tax Appellate Tribunal
	November 2009 to June 2012 [Penalty	184.36	
	April 2015 to June 2017	21.17	Reply filled with before Commissioner of Service Tax
Income Tax (Mauritius)	AY 2015-16	17.29	Supreme Court in Mauritius
	AY 2016-17	24.89	Supreme Court in Mauritius
	AY 2019-20 to AY 2022-23	49.32	Assessment Review Committee
Karnataka Value Added Taxes	AY 2013-14 to AY 2016-17	15.58	Rectification request file to Deputy Commissioner of KVAT.

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 previous year FY 2022-23, the Company has made right issue of equity shares to the existing shareholder of the company. In the opinion and according to the information and explanation given to us, the company has complied with the requirement of the Section 62 of the Act and the Rules framed thereunder with respect to the same

In our opinion and according to the information and explanation given to us, the company has utilized fund raised by way of right issue to the existing shareholder of the company for the purpose for which they were raised. The balance unutilized funds rasied in previous year has been utilized as under:

Sr No	Nature of Securities viz Equity Shares/ Preference Share/ Convertible debentures	Purpose for which funds were raised	Opening Unutilised Amount (₹ In Million)	Amount Utilized in FY 2023-2024 (₹ In Million)	Unutilized balance as at 31st March, 2024	Remark, if any
1	Equity Share	Prepayment/Repayment of certain outstanding Borrowings (including interest thereon)	425.60	425.60	-	Amount fully utilized till June 30, 2023
2	Equity Share	General Corporate Purpose	103.90	103.90	-	
	Total		**529.50**	**529.50**	**-**	

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.

(b) 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: 24039894BKHIAJ1260

Mumbai, 18th May, 2024

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 with reference to Standalone Financial Statements of **Patel Engineering Limited** (the "Company") as of March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date which includes internal financial controls with reference to Standalone Financial Statements of one of the Company's 37 joint operations which is a company incorporated in India.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to Standalone Financial Statements based on the internal control with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements of the Company and its joint operations company incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing ("SA's") prescribed under Section 143(10) of the Companies Act, 2013 (the "Act"), to the extent applicable to an audit of internal financial controls with reference to Standalone 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 Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditor of the joint operation which is a company incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Standalone Financial Statements.

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

Opinion

In our opinion, 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 auditors on internal financial controls with reference to Standalone Financial Statements of the Real estate division branch and joint operation referred to in the Other Matters paragraph below, the Company has, in all material respects, an adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to Standalone Financial Statements 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Standalone Financial Statements 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 ventures incorporated in India. 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: 24039894BKHIAJ1260

Mumbai, 18th May, 2024

Balance Sheet

as at March 31, 2024

		Notes	As At March 31, 2024 ₹ Million	As At March 31, 2023 ₹ Million
I.	**ASSETS**			
1	**Non-current assets**			
	(a) Property, plant and equipment		**11,382.96**	11,684.38
	(b) Capital work-in-progress	**2**	**625.67**	135.20
	(c) Intangible assets		**7.64**	12.16
	(d) Right to use		**281.60**	142.09
	(e) Financial assets			
	(i) Investments	**3**	**2,341.55**	2,256.91
	(ii) Trade receivables	**4**	**2,777.35**	2,726.42
	(iii) Loans	**5**	**4,239.31**	6,035.39
	(iv) Other financial assets	**6**	**6,805.76**	6,458.93
	(f) Deferred tax assets (net)	**7**	**853.53**	1,978.81
	(g) Current tax assets (net)	**8**	**1,359.04**	809.06
	(h) Other non current assets	**9**	**1,148.30**	1,256.73
	Total non current assets		**31,822.71**	**33,496.08**
2	**Current assets**			
	(a) Inventories	**10**	**36,315.54**	32,592.20
	(b) Financial assets			
	(i) Trade receivables	**4**	**4,747.59**	4,331.93
	(ii) Cash and cash equivalents	**11**	**1,910.04**	1,705.55
	(iii) Other bank balances	**12**	**-**	-
	(iv) Loans	**5**	**1,071.45**	967.08
	(v) Other financial assets	**6**	**4,143.34**	1,407.35
	(c) Other current assets	**9**	**6,883.56**	6,814.08
	Total current assets		**55,071.52**	**47,818.19**
	TOTAL ASSETS		**86,894.23**	**81,314.27**
II.	**EQUITY AND LIABILITIES**			
1	**Share Holders' Fund**			
	(a) Equity share capital	**13**	**773.62**	773.62
	(b) Other equity		**30,685.69**	27,803.88
	Total equity		**31,459.31**	**28,577.50**
2	**Liabilities**			
	Non current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	**14**	**4,620.57**	3,984.41
	(ii) Lease liability	**15**	**123.52**	78.19
	(iii) Trade payables			
	a) Total outstanding dues of micro enterprises and small enterprises		**-**	-
	b) Total outstanding dues of creditors other than micro enterprises and small enterprises	**16**	**6,391.48**	6,182.16
	(iv) Other financial liability	**17**	**2,239.85**	2,012.22
	(b) Provisions	**18**	**99.33**	162.15
	(c) Other non current liabilities	**19**	**3,736.30**	5,747.02
	(d) Deferred revenue	**20**	**28.34**	78.92
	Total non current liabilities		**17,239.39**	**18,245.07**
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	**21**	**12,701.04**	11,437.35
	(ii) Lease liability	**15**	**120.65**	92.67
	(iii) Trade payables			
	a) Total outstanding dues of micro enterprises and small enterprises	**22**	**268.71**	38.98
	b) Total outstanding dues of creditors other than micro enterprises and small enterprises		**18,276.90**	14,735.46
	(iv) Other financial liabilities	**23**	**227.84**	147.45
	(b) Provisions	**18**	**54.88**	50.45
	(c) Other current liabilities	**24**	**6,545.51**	7,989.34
	Total current liabilities		**38,195.53**	**34,491.70**
	TOTAL EQUITY AND LIABILITIES		**86,894.23**	**81,314.27**
	Summary of material accounting policies	**1**		

The notes referred to above form an integral part of the Standalone Financial Statement

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 18, 2024

For and on behalf of Board

Rupen Patel
Chairman &
Managing Director
DIN : 00029583

Kavita Shirvaikar
Whole Time Director &
Chief Financial Officer
DIN : 07737376

Shobha Shetty
Company Secretary
Mem. No.: F10047

Statement of Profit and Loss

for the year ended March 31, 2024

		Notes	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
I.	**Revenue from operations**	25	44,120.39	38,171.26
II.	**Other income**	26	1,089.89	1,442.71
III.	**Total Income (I + II)**		**45,210.28**	**39,613.97**
IV.	**Expenses:**			
	Cost of construction	27	32,425.57	27,928.65
	Employee benefits expense	28	3,531.82	3,248.28
	Finance costs	29	3,567.88	3,997.30
	Depreciation and amortization expense	2	971.30	806.41
	Other expenses	30	1,961.94	1,589.55
	Total expenses		**42,458.51**	**37,570.19**
V.	**Profit before exceptional items and tax (III-IV)**		**2,751.77**	**2,043.78**
VI.	**Exceptional items**	31	(1,034.28)	60.78
VII.	**Profit before tax (V - VI)**		**3,786.05**	**1,983.00**
VIII.	**Tax expense:**			
	(1) Current tax		509.83	698.24
	(2) Earlier years		(44.52)	(187.75)
	(3) Deferred tax		464.78	(83.13)
IX.	**Profit for the year (VII-VIII)**		**2,855.96**	**1,555.64**
X.	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	a) Remeasurements of the defined benefit plans		(17.48)	2.15
	b) Revaluation of Assets		57.24	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(13.92)	0.74
XI.	**Total other comprehensive income**		**25.84**	**2.89**
XII.	**Total comprehensive income for the year (IX+XI) (comprising profit and other comprehensive income for the year)**		**2,881.80**	**1,558.53**
XIII.	**Earnings per equity share:**			
	(1) Basic	34	3.69	2.97
	(2) Diluted		3.59	2.10
	Summary of material accounting policies	1		

The notes referred to above form an integral part of the Standalone Financial Statement

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 18, 2024

For and on behalf of Board

Rupen Patel
Chairman &
Managing Director
DIN : 00029583

Kavita Shirvaikar
Whole Time Director &
Chief Financial Officer
DIN : 07737376

Shobha Shetty
Company Secretary
Mem. No.: F10047

Standalone Cash Flow Statement

for the year ended March 31, 2024

		March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net profit after tax	2,855.96	1,555.64
	Adjustment for:		
	Depreciation/ amortisation	971.30	806.41
	Tax expenses	930.09	427.36
	Finance charges	3,567.88	3,997.30
	Interest income and dividend received	(733.33)	(829.66)
	Foreign exchange gain	(48.56)	(173.96)
	Provision for leave salary	(65.04)	23.04
	Provision for gratuity	6.65	(5.75)
	Profit on sale of investment	(764.29)	(0.30)
	Provision for impairment	(44.99)	240.20
	Profit on sale of assets	(2.60)	(12.99)
	Excess credit written back	(220.77)	(397.61)
	Irrecoverable debts and advances written off (net)	842.54	85.87
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**7,294.84**	**5,715.54**
	Adjustment for changes in:		
	Trade and other receivables	(1,678.68)	430.78
	Inventories	(3,723.34)	(3,373.54)
	Trade and other payables (excluding income tax)	3,565.47	3,388.46
	Cash from operations	**5,458.29**	**6,161.24**
	Direct tax paid (net)	**(914.47)**	**(789.77)**
	NET CASH FROM OPERATING ACTIVITIES (A)	**4,543.82**	**5,371.47**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets (including capital work in progress and capital advances)	(1,800.88)	(1,697.94)
	Sale of fixed assets	100.55	100.64
	Decrease in loans to subsidiaries/ JV/ associates	44.71	73.45
	Sale of investments	725.79	91.98
	Purchase of investments	(1.15)	(29.77)
	Interest and dividend received	209.10	157.57
	NET CASH USED IN INVESTING ACTIVITIES (B)	**(721.88)**	**(1,304.07)**

Standalone Cash Flow Statement

for the year ended March 31, 2024

	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of shares	-	3,157.50
Proceeds from borrowings	998.05	32.74
Replacement of Contractee advance with new term loan	(2,520.00)	-
Term loan for replacement of Contractee advance	2,520.00	-
Repayment of borrowings	(1,670.79)	(4,555.53)
Finance charges paid	(2,993.27)	(3,086.01)
NET CASH USED IN FINANCING ACTIVITIES (C)	**(3,666.01)**	**(4,451.30)**
Net increase in cash and cash equivalent (A+B+C)	**155.93**	**(383.90)**
Opening balance of cash and cash equivalents	**1,705.55**	**1,915.49**
Balance of cash and cash equivalents	**1,861.48**	**1,531.59**
Notes to cash flow statement		
a) Cash and cash equivalents		
Cash on hand and balance with banks	1,910.04	1,705.55
Effect of exchange rate changes	(48.56)	(173.96)
Closing cash and cash equivalents as restated	**1,861.48**	**1,531.59**

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

c) Reconciliation of liabilities arising from financing activities

₹ Million

March 31, 2024	Opening balance as on 01.04.2023	Cash flow	Non - cash changes	Closing balance as on 31.3.2024
Borrowings (including short term borrowing, long term borrowing & lease liability)	15,592.62	1,847.26	125.90	17,565.78
Total	**15,592.62**	**1,847.26**	**125.90**	**17,565.78**

₹ Million

March 31, 2023	Opening balance as on 01.04.2022	Cash flow	Non - cash changes	Closing balance as on 31.3.2023
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**

For Vatsaraj & Co.
Firm Regn No: 111327W
Chartered Accountants
Dr. CA. B. K. Vatsaraj
Partner
Membership No. 039894
Place : Mumbai
Date : May 18, 2024

For and on behalf of Board

Rupen Patel
Chairman &
Managing Director
DIN : 00029583

Kavita Shirvaikar
Whole Time Director &
Chief Financial Officer
DIN : 07737376

Shobha Shetty
Company Secretary
Mem. No.: F10047

Statement of Changes in Equity

for the year ended March 31, 2024

(A) EQUITY SHARE CAPITAL

Particulars	Number of shares	₹ Million
Equity shares of ₹ 1 each issued, subscribed and paid		
As at March 31, 2022	**47,92,30,494**	**479.23**
Issue of equity shares	29,43,86,734	294.39
As at March 31, 2023	**77,36,17,228**	**773.62**
Issue of equity shares	-	-
As at March 31, 2024	**77,36,17,228**	**773.62**

(B) OTHER EQUITY

₹ Million

Particulars	Reserves and surplus								
	Equity component of compound financial instruments	Capital reserve	Capital reserve on amalgamation	General reserve	Securities premium	Revaluation reserve	Capital redemption reserve	Surplus in the statement of profit and loss	Total equity attributable to equity holders
As at March 31, 2022	**-**	**266.51**	**(0.23)**	**2,811.97**	**15,129.40**	**-**	**300.00**	**4,538.47**	**23,046.12**
Profit for the year	-	-		-	-	-	-	1,555.64	**1,555.64**
- 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**
As at March 31, 2023	**-**	**266.51**	**(0.23)**	**2,811.97**	**18,242.51**	**-**	**300.00**	**6,183.13**	**27,803.88**
Profit for the year	-	-		-	-	-	-	2,855.96	**2,855.96**
- Other comprehensive income for the year	-	-		-	-	-	-	(11.35)	**(11.35)**
- On revaluation of assets (net of taxes)	-	-		-	-	37.21	-	-	**37.21**
As at March 31, 2024	**-**	**266.51**	**(0.23)**	**2,811.97**	**18,242.51**	**37.21**	**300.00**	**9,027.74**	**30,685.69**

Patel Since 1949

Statement of Changes in Equity

for the year ended March 31, 2024

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.

Revaluation reserve: Revaluation reserve is credited on account of measurement of land in Property, Plant and equipment (PPE) as per the revaluation model under IND AS 16.

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

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

Notes to Standalone Financial Statement

for the year ended March 31, 2024

NOTE : 1

SUMMARY OF MATERIAL 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 18, 2024.

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.

The Company adopted Disclosure of Accounting Policies (Amendments to Ind AS 1) from April 1, 2023. Although the amendments did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

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), except land, are stated at net of recoverable taxes, trade discount and rebates less accumulated depreciation and accumulated impairment losses, if any. Land is stated at revalued amount determined by an independent registered valuer from time to time.

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.

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.

Notes to Standalone Financial Statement

for the year ended March 31, 2024

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.

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 criteria's are met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or

Notes to Standalone Financial Statement

for the year ended March 31, 2024

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 judgement 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.

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 Standalone Financial Statement 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.

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

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

Equity instruments

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

Notes to Standalone Financial Statement

for the year ended March 31, 2024

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 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 Standalone Financial Statement 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:

Notes to Standalone Financial Statement

for the year ended March 31, 2024

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 Standalone Financial Statement 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 Standalone Financial Statement 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 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) 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

Notes to Standalone Financial Statement

for the year ended March 31, 2024

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.

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.

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.

Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

NOTE : 2

PROPERTY, PLANT AND EQUIPMENT AS AT MARCH 31, 2024

₹ Million

Particulars	Gross block					Depreciation and amortization				Net book value	
	As at April 1, 2023	Revaluation	Addition	Deduction/ retirement	As at March 31, 2024	As at April 1, 2023	For the year	Adjustment /deduction	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
TANGIBLE ASSETS											
Land[1]	6,344.47	57.24	-	-	6,401.71	-	-	-	-	6,401.71	6,344.47
Building[2]	711.04		-	-	711.04	147.65	15.47	-	163.12	547.92	563.39
Plant and equipment[3]	8,618.17		551.76	129.19	9,040.74	4,455.89	746.19	25.41	5,176.67	3,864.07	4,162.28
Furniture and fixtures	65.07		3.62	-	68.69	56.98	2.43	-	59.41	9.28	8.09
Vehicles[4]	1,606.01		56.39	7.79	1,654.61	1,141.94	107.46	6.74	1,242.66	411.95	464.07
Office equipments	27.90		6.37	-	34.27	21.92	2.55	-	24.47	9.80	5.98
Others[5]	34.67		-	-	34.67	29.25	0.77	-	30.02	4.65	5.42
Electric equipment	180.20		35.33	0.99	214.54	77.99	24.66	0.12	102.53	112.01	102.21
Computer equipments	106.18		11.29	-	117.47	77.71	18.20	-	95.91	21.56	28.47
	17,693.71	**57.24**	**664.76**	**137.97**	**18,277.74**	**6,009.34**	**917.73**	**32.29**	**6,894.79**	**11,382.96**	**11,684.38**
RIGHT TO USE											
Building	21.99		2.96	-	24.96	13.49	5.33	-	18.82	6.13	8.51
Land	3.15		-	-	3.15	2.12	0.77	-	2.89	0.26	1.03
Plant and equipment	490.26		182.30	-	672.56	363.19	39.06	-	402.25	270.31	127.07
Electric equipment	-		1.01		1.01	-	0.05		0.05	0.96	-
Vehicles	12.06		-	-	12.06	6.57	1.55	-	8.12	3.94	5.49
	527.46	**-**	**186.26**	**-**	**713.72**	**385.37**	**46.76**	**-**	**432.13**	**281.60**	**142.09**
TOTAL PPE AND RIGHT TO USE	**18,221.17**	**57.23**	**851.02**	**137.97**	**18,991.46**	**6,394.71**	**964.49**	**32.29**	**7,326.91**	**11,664.56**	**11,826.47**
INTANGIBLE ASSETS											
Computer software	64.06		2.30	-	66.36	51.91	6.81	-	58.72	7.64	12.16
CAPITAL WORK IN PROGRESS[6]										**625.67**	**135.20**
TOTAL	**18,285.23**	**57.23**	**853.31**	**137.97**	**19,057.81**	**6,446.62**	**971.30**	**32.29**	**7,385.64**	**12,297.87**	**11,973.83**

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

₹ Million

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	3,513.77	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	269.90	PEL Power Ltd.			
Property Plant & Equipment	Building	7.52	PEL Power Ltd.			
Property, plant & equipment	Land	4.66	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	139.23	Mrs. Silloo Yezdi Patel	Ex-director	FY 2001-02	
Property, plant & equipment	Land	319.82	Mr. Rupen Pravin Patel	Director	FY 2000-01	

2 a) Building includes building [gross block -₹ 559.35 million (P.Y. ₹ 559.35 million), accumulated depreciation ₹ 81.13 million (P.Y. ₹ 71.05 million)] and factory building [gross block - ₹ 151.67 million (P.Y. ₹ 151.67 million), accumulated depreciation ₹ 81.98 million (P.Y. ₹ 76.60 million)]

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

3 Includes assets costing ₹ 97.95 million (P.Y. ₹ 539.40 million) not commissioned/erected/put to use.

₹ Million

4 Vehicles includes	Gross block 2023-24	Gross block 2022-23	Acc dep. 2023-24	Acc dep. 2022-23
Motor car	341.29	299.58	238.86	222.82
Motor truck	1,309.76	1,303.18	1,001.25	916.79
Motor cycle	3.56	3.25	2.71	2.51

₹ Million

5 Others include	Gross block 2023-24	Gross block 2022-23	Acc dep. 2023-24	Acc dep. 2022-23
Ship	0.06	0.06	0.06	0.06
Rails and trolley	34.60	34.60	29.97	29.20

6 Capital work-in-progress (CWIP) ageing schedule

Particulars	Amount in CWIP for a period of				
	Less than 1 Years	1-2 years	2-3 years	More than 3 years	Total
Project in progress	615.00	7.73	-	2.94	625.67

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, 2024.

7 During the year ended March 31, 2024 the Company has changed its accounting policy for valuation of land in the Property, Plant Equipments from cost model to revaluation model. The Company believes that this change to revaluation model is preferable as it reflects value of the Company's land on current market price basis and it reflect the current worth of the Company. Based on comparable transaction near the vicinity of the land, independent registered valuer has determined the fair value of the land and issue the valuation report on March 30, 2024.

Hence, it provides reliable and more relevant information to the users of financial statements about the Company's Value of land fixed assets on an on-going basis. As a result of revaluation, net value of land has been increased by ₹ 57.24 million and the said increase has been recognised in other comprenshive income net of deferred tax of ₹ 20.03 Million.

Notes to Standalone Financial Statement

for the year ended March 31, 2024

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	Adjustment /deduction	As at March 31, 2023	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	-	147.65	563.39	290.60
Plant and equipment[3]	7,426.24	1,505.06	313.13	8,618.17	4,086.22	600.27	230.60	4,455.89	4,162.28	3,340.02
Furniture and fixtures	94.53	1.75	31.21	65.07	85.97	2.21	31.20	56.98	8.09	8.56
Vehicles[4]	1,574.63	157.19	125.81	1,606.01	1,170.64	92.71	121.41	1,141.94	464.07	403.99
Office equipments	63.55	0.94	36.59	27.90	56.26	2.25	36.59	21.92	5.98	7.29
Others[5]	34.67	-	-	34.67	28.70	0.55	-	29.25	5.42	5.97
Electric equipment	151.67	57.92	29.39	180.20	87.56	19.16	28.72	77.99	102.21	64.11
Computer equipments	143.29	16.78	53.89	106.18	112.50	19.07	53.85	77.71	28.47	30.79
	16,262.55	**2,021.18**	**590.02**	**17,693.71**	**5,766.75**	**744.97**	**502.37**	**6,009.33**	**11,684.38**	**10,495.80**
RIGHT TO USE										
Building	18.79	3.20	-	21.99	7.14	6.35	-	13.49	8.50	11.65
Land	3.15	-	-	3.15	1.06	1.06		2.12	1.03	2.09
Plant and equipment	490.26	-	-	490.26	315.89	47.30	-	363.19	127.07	174.37
Vehicles	12.06	-	-	12.06	5.12	1.46		6.57	5.49	6.94
	524.26	**3.20**	-	**527.46**	**329.21**	**56.17**	-	**385.37**	**142.09**	**195.05**
TOTAL PPE AND RIGHT TO USE	**16,786.81**	**2,024.38**	**590.02**	**18,221.17**	**6,095.96**	**801.14**	**502.37**	**6,394.70**	**11,826.47**	**10,690.85**
INTANGIBLE ASSETS										
Computer software	64.14	8.63	8.71	64.06	55.34	5.28	8.71	51.91	12.16	8.80
CAPITAL WORK IN PROGRESS[6]									**135.20**	**54.23**
TOTAL	**16,850.95**	**2,033.01**	**598.73**	**18,285.23**	**6,151.30**	**806.41**	**511.08**	**6,446.61**	**11,973.83**	**10,753.88**

Notes to Standalone Financial Statement

for the year ended March 31, 2024

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

₹ Million

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 transferred 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	

2 a) Building includes building [gross block - ₹ 559.35 million (P.Y. ₹ 277.81 million), accumulated depreciation ₹ 71.05 million (P.Y. ₹ 67.71 million)] and factory building [gross block - ₹ 151.67 million (P.Y. ₹ 151.67 million), accumulated depreciation ₹ 76.60 million (P.Y. ₹ 71.19 million)]

b) ₹ 0.0083 million (P.Y. ₹ 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 (P.Y. ₹ 37.12 million) not commissioned/erected/put to use.

₹ Million

4

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

₹ Million

5

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				
	Less than 1 Years	1-2 years	2-3 years	More than 3 years	Total
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.

Notes to Standalone Financial Statement

for the year ended March 31, 2024

NOTE : 3

INVESTMENTS

	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
NON- CURRENT INVESTMENTS		
Investment in equity instruments at cost, unquoted		
- In subsidiaries		
Nil shares (8,85,220) of Michigan Engineers Pvt. Ltd., face value ₹ 10/- per share*	-	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
250,000 Shares (Nil) of Bellona Estate Developers Ltd., face value ₹ 10/- per share	1.10	-
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 Realties Pvt. Ltd., face value ₹ 10/-per share	72.28	72.28
78,80,000 shares (78,80,000) of Shashvat Land Projects Pvt. Ltd., face value ₹ 10/- per share	79.00	79.00
70,00,000 shares (70,00,000) of Pandora Infra Pvt. Ltd., face value ₹ 10/- per share	70.18	70.18
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
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
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 (2,61,93,077) of Patel Engineering Lanka Pvt Ltd., face value LKR 1/- per share	11.90	11.90
	2,296.84	2,527.82

Notes to Standalone Financial Statement

for the year ended March 31, 2024

	March 31, 2024 ₹ Million	March 31, 2023 ₹ 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
	1,089.70	1,089.70
Investment in optionally fully convertible debenture at cost		
- In subsidiaries		
0% redeemable optionally fully convertible debentures in Bhooma Realties 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]	1,423.79	1,589.00
	2,080.00	2,145.77
Investment in government securities [IV]	0.12	0.12
Investment by joint venture	76.00	76.00
Investment in equity instruments (at FVTPL, Unquoted)		
1,73,398 shares (Nil) of Michigan Engineers Pvt. Ltd., face value ₹ 10/- per share*	170.52	-
4900 shares (Nil) of Shail Tunnelling And Infra Pvt. Ltd, face value ₹ 10/- per share	0.05	-
Investment in mutual funds (at FVTPL, quoted)	14.86	35.02
TOTAL NON -CURRENT INVESTMENT	**2,341.55**	**2,256.91**

*Company has diluted the part stake in Michigan Engineers Pvt Ltd which resultant same is seize to be subsidiary of the company.

I. Aggregated amount of unquoted investments as at March 31, 2024 ₹ 2,326.69 million (P.Y. ₹ 2,221.89 million)

II. Aggregated amount of quoted investments as at March 31, 2024 ₹ 14.86 million, market value ₹ 14.86 million (P.Y. ₹ 35.02 million, market value ₹ 35.02 million)

III. Aggregated amount of impairment in value of investments as at March 31, 2024 ₹ 1,423.79 million (P.Y. ₹ 1,589.00 million)

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

Notes to Standalone Financial Statement

for the year ended March 31, 2024

NOTE : 4

TRADE RECEIVABLES

	Non-current		Current	
	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Unsecured, considered good unless otherwise stated				
Receivables outstanding for a period exceeding six months				
Considered good	2,726.69	2,619.50	3,026.08	2,639.01
Considered doubtful	-	-	4.96	668.01
	2,726.69	**2,619.50**	**3,031.04**	**3,307.02**
Less : Allowance for doubtful debts	-	-	4.96	668.01
(A)	**2,726.69**	**2,619.50**	**3,026.08**	**2,639.01**
Other receivables				
Considered good (B)	50.66	106.92	1,721.51	1,692.92
(A+B)	**2,777.35**	**2,726.42**	**4,747.59**	**4,331.93**

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

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

III Trade receivables are net of advances received against arbitration awards/claims of ₹ 4,914.11 millions (P.Y. ₹ 4,887.40 millions).

IV Trade receivable ageing Schedule

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, 2024							
Undisputed trade receivable - considered good	1,772.17	414.00	1,830.88	1,089.07	1,866.72	549.83	7,522.66
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	4.85	-	4.85
Undisputed trade receivables - credit impaired	-	-	-	-	2.39	-	2.39
	1,772.17	**414.00**	**1,830.88**	**1,089.07**	**1,873.95**	**549.83**	**7,529.90**
Less: Allowance for doubtful debts	-	-	-	-	4.96	-	4.96
Total receivable	**1,772.17**	**414.00**	**1,830.88**	**1,089.07**	**1,869.00**	**549.83**	**7,524.94**
As on March 31, 2023							
Undisputed trade receivable - considered good	1,799.86	588.29	1,244.25	1,015.46	1,858.20	550.00	7,056.06
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
	1,799.86	**588.29**	**1,244.25**	**1,015.46**	**1,865.44**	**1,213.05**	**7,726.35**
Less: Allowance for doubtful debts	-	-	-	-	4.96	663.05	668.01
Total receivable	**1,799.86**	**588.29**	**1,244.25**	**1,015.46**	**1,860.48**	**550.00**	**7,058.34**

Notes to Standalone Financial Statement

for the year ended March 31, 2024

NOTE : 5

LOANS

	Non-current		Current	
	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Balance in loan / current account with related parties				
Unsecured, considered good	4,239.31	6,035.39	1,071.45	967.08
Balance which have significant increase in credit risk	340.13	1,294.73	-	-
	4,579.44	**7,330.12**	**1,071.45**	**967.08**
Less: Provision for impairment	340.13	1,294.73	-	-
	4,239.31	**6,035.39**	**1,071.45**	**967.08**

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, 2024 ₹ Million	March 31, 2023 ₹ Million	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Cash and bank balances				
Balance with banks				
- On fixed deposits accounts with scheduled banks*	2,308.62	2,068.94	-	-
Deferred finance cost	22.25	70.31	-	-
Secured deposit	2,615.25	2,555.73	1,775.83	1,163.63
Accrued interest	1,859.64	1,763.95	16.75	21.84
Other Assets, unsecured, considered good	-	-	2,350.76	221.88
	6,805.76	**6,458.93**	**4,143.34**	**1,407.35**

* Includes amount given towards margin money and earnest money deposits

NOTE : 7

DEFERRED TAX ASSETS

	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Related to depreciation on fixed assets	15.69	(7.10)
Carry forward of an unused tax credit	-	620.98
Other disallowances under the income tax act	837.84	1,364.93
DEFERRED TAX ASSETS	**853.53**	**1,978.81**

Notes to Standalone Financial Statement

for the year ended March 31, 2024

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

	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Deferred income tax liability		
Temporary difference on tangible and intangible assets depreciation and amortisation	-	(7.10)
Deferred income tax asset		
Disallowances under income tax act	837.84	1,364.93
Carry forward of an unused tax credit	-	620.98
Timing difference on tangible and intangible assets depreciation and amortisation	15.69	-
Total deferred tax assets (net)	**853.53**	**1,978.81**

NOTE : 8

CURRENT TAX ASSETS (NET)

	Non-current		Current	
	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Advance tax (net)[1]	1,359.04	809.06	-	-
	1,359.04	**809.06**	**-**	**-**

1 Advance tax which is net of provision for tax ₹ 864.56 million (P.Y. ₹ 1,491.65 million).

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

	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Profit / loss before income tax	3,786.05	1,983.00
Income tax expense calculated at 34.944%	1,323.00	692.94
Effect of expenses not allowed for tax purpose	328.88	335.07
Effect of income not considered for tax purpose	(572.69)	(276.37)
Others	(613.87)	(241.15)
	465.31	**510.49**

NOTE : 9

OTHER ASSETS

	Non-current		Current	
	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Capital advance				
Secured, considered good				
Unsecured, considered good	65.96	102.05	-	-
Security deposit				
Unsecured, considered good	-	-	-	-
Doubtful	16.76	16.76	-	-
Advance recoverable				
Unsecured, considered good	141.62	179.10	3,898.31	4,081.10
Doubtful	218.35	207.04	27.30	27.30

Notes to Standalone Financial Statement

for the year ended March 31, 2024

	Non-current		Current	
	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Prepaid expenses - Others	284.76	228.65	550.26	592.76
Prepaid expenses - CSR	-	-	29.61	-
Balance with statutory authorities	655.97	745.74	2,165.71	2,050.83
Accrued interest	-	-	-	-
Receivable on account of sale of long term investments	-	-	-	-
Non trade receivables	0.00	-	201.32	56.50
Advances to employees	-	1.19	38.35	32.89
	1,383.42	**1,480.53**	**6,910.86**	**6,841.38**
Less: Allowance for doubtful advances	235.12	223.80	-	-
Less: Provision for impairment	-	-	27.30	27.30
	1,148.30	**1,256.73**	**6,883.56**	**6,814.08**

NOTE : 10

INVENTORIES *

(At lower of cost or net realisable value)

	Current	
	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Stock of land	2,431.78	2,444.15
Stores, embedded goods and spare parts etc.	3,182.67	2,463.55
(Includes stores in transit ₹ 275.47 million (P.Y. ₹ 182.67 million)		
Work-in-progress	30,701.09	27,684.50
	36,315.54	**32,592.20**

*(As technically valued and certified by the management)

NOTE : 11

CASH AND CASH EQUIVALENTS

	Current	
	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Balance with banks		
- On current accounts with scheduled banks	1,868.23	1,075.54
- On fixed deposits accounts with scheduled banks	16.06	605.24
- On fixed deposits accounts with foreign banks	24.56	23.32
- Foreign currency in hand	0.15	0.24
Cash on hand	1.04	1.21
	1,910.04	**1,705.55**

Notes to Standalone Financial Statement

for the year ended March 31, 2024

NOTE : 12

OTHER BANK BALANCES

	Current	
	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Balances with bank for unpaid dividend	-	-
	-	-

NOTE : 13

SHARE CAPITAL AND OTHER EQUITY

A) SHARE CAPITAL	March 31, 2024		March 31, 2023	
	No. of shares	₹ Million	No. of shares	₹ Million
a) Authorized				
Equity shares of ₹ 1/- each	9,95,43,00,000	9,954.30	9,95,43,00,000	9,954.30
Zero coupon optionally convertible preference shares of ₹ 1/- each	80,00,00,000	800.00	80,00,00,000	800.00
b) Issued, subscribed and fully paid up				
Equity shares of ₹ 1/- each	77,36,17,228	773.62	77,36,17,228	773.62
	77,36,17,228	**773.62**	**77,36,17,228**	**773.62**

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	No. of shares	₹ Million	No. of shares	₹ Million
Outstanding at the beginning of the year	77,36,17,228	773.62	47,92,30,494	479.23
Add :- issued during the year	-	-	29,43,86,734	294.39
Outstanding at the end of the year	**77,36,17,228**	**773.62**	77,36,17,228	773.62

e) **Share held by each shareholder more than 5%**

Equity shares

Name of the shareholder	No. of shares	% holding	No. of shares	% holding
i) Raahitya Constructions Pvt. Ltd. (erstwhile Patel Corporation LLP)	23,24,06,527	30.04	23,24,06,527	30.04
ii) Praham India LLP	4,01,95,352	5.20	4,01,95,352	5.20

f) During the financial year 2019-20, Company had made prefential 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 financial year 20-21 into 91,99,470 equity shares. Further, during the financial year 2021-22, company has made prefential 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.

Notes to Standalone Financial Statement

for the year ended March 31, 2024

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, 2024			March 31, 2023		
		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	-	3,07,85,933	3.98	(11.24)
ii	Raahitya Constructions Private Limited	23,24,06,527	30.04	-	23,24,06,527	30.04	25.40
iii	Praham India LLP	4,01,95,352	5.20	-	4,01,95,352	5.20	-
iv	Ms. Alina Rupen Patel	12,90,000	0.17	-	12,90,000	0.17	-
v	Ms. Chandrika Patel	1,49,900	0.02	-	1,49,900	0.02	-
vi	Mr. Ryan Rupen Patel	90,000	0.01	-	90,000	0.01	-
	Total	**30,49,17,712**	**39.41**	**-**	**30,49,17,712**	**39.41**	**14.16**

I) **Share issued during the previous year**

During the previous year ended as on March 31, 2023, 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 had 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 was pending utilisation, kept in a separate bank account / temporary invested in fixed deposit and same has been utilised during the period for the purposes stated in the said Letter of Offer.

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

NOTE : 14

BORROWINGS

		Non-current portion		Current maturities	
		March 31, 2024 ₹ Million	March 31, 2023 ₹ Million	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
I	**Secured loans**				
a)	Debentures [1]	2,780.01	3,369.25	709.31	417.00
b)	Term loans				
	- From bank [2]	456.42	515.16	3.79	372.80
	- From others [3]	1,384.14	100.00	1,060.75	328.00
II	**Unsecured loans**				
	- Amount disclosed under "borrowings" in note no. 21	-	-	(1,773.85)	(1,117.80)
		4,620.57	**3,984.41**	**-**	**-**

Notes to Standalone Financial Statement

for the year ended March 31, 2024

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 ₹ Nil (P.Y. ₹ 238.00 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 was 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 FY 19, Implementation from LIC (Life Insurance Corporation of India) & GIC (General Insurance Corporation of India) was completed as per the scheme and Units of OCD under Part B Debt was issued by the company. As part of the above S4A scheme, lenders of the company had converted Part B debt from Working Capital Term Loan (WCTL) , Working Capital facilities (CC) , Non Convertible Debentures (NCD) & Short Term Loans (STL) facilities into various tranches of Optionally Converted Debentures (OCD). The tranche wise details of OCD allotment and their outstanding details as on March 31, 2024 are as follows -

Tranche 1. (WCTL) ₹ 855.40 million (P.Y. ₹ 908.11 million) ,Tranche 2 (CC) ₹ 2,091.09 million (P.Y. ₹ 2,212.38 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 ₹ 3,698.70 million as on March 31, 2024 (P.Y. ₹ 3,882.62 million) and outstanding liabilities on these debenture under IND AS 109 is ₹ 2,780.01 million (P.Y. ₹ 3,369.25 million) as on March 31, 2024.

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 14 - 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 21 - 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 14 - 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 21 - 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

Notes to Standalone Financial Statement

for the year ended March 31, 2024

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 till F.Y. 24. 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 ₹ 1,384.14 million (P.Y. ₹ 100.00 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 3-8 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 incudes project specific funding by financial institution from earmarked non fund based limit , this loans carried an interest rate of average between 10%-11.50% on an average.

NOTE : 15

LEASE LIABILITY

	Non-current		Current	
	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Lease liability	123.52	78.19	120.65	92.67
	123.52	**78.19**	**120.65**	**92.67**

NOTE : 16

TRADE PAYABLES*

	Non-current	
	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Trade creditors	479.41	467.81
Piece rate wages payable	2,410.30	2,591.15
Unbilled expenses	2,999.60	2,177.37
Capital creditors	502.17	945.83
	6,391.48	**6,182.16**

*Ageing of trade payable is given under note no 54

NOTE : 17

OTHER FINANCIAL LIABILITIES

	Non-current	
	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Interest accrued but not due on borrowings	2,239.85	2,012.22
	2,239.85	**2,012.22**

Notes to Standalone Financial Statement

for the year ended March 31, 2024

NOTE : 18
PROVISIONS

	Non-current		Current	
	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Provision for employee benefits				
Provision for gratuity	17.68	22.38	46.73	35.38
Provision for leave entitlements	81.65	139.77	8.15	15.07
	99.33	**162.15**	**54.88**	**50.45**

NOTE : 19
OTHER NON CURRENT LIABILITY

	Non-current	
	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Contractee advances	3,488.01	4,814.68
Deposits	105.75	289.36
Other liability	142.54	642.98
	3,736.30	**5,747.02**

NOTE : 20
DEFERRED REVENUE

	Non-current	
	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Deferred revenue	28.34	78.92
	28.34	**78.92**

NOTE : 21
BORROWINGS

		Current	
		March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
I	**Secured loans**		
	Short term loans [1]		
	- From bank	-	-
	- From other	227.00	277.01
	Loans repayable on demand		
	- From bank [2]	10,078.70	9,312.39
II	**Unsecured loans**		
	- From others	-	-
	- From related parties [3]	621.49	730.15
III	**Current maturities of long-term debt**	1,773.85	1,117.80
		12,701.04	**11,437.35**

Notes to Standalone Financial Statement

for the year ended March 31, 2024

1 **Short term loan**

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. 10.35%-12.31% p.a.)

3 **Unsecured loan**

It includes short term inter corporate payables to related parties of ₹ 621.49 million (P.Y. ₹ 730.15 million).

4 The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts.

5 The borrowings obtained by Company from banks and financial institutions have been applied for the purposes for which such loans were taken.

NOTE : 22

TRADE PAYABLES*

	Current	
	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Total outstanding dues of micro enterprises and small enterprises [1&2]	268.71	38.98
Total outstanding dues of creditors other than micro enterprises and small enterprises [2]		
Trade creditors	7,180.55	5,495.32
Piece rate wages payable	7,270.48	5,285.55
Provisions - others	3,825.87	3,954.59
	18,545.61	**14,774.44**

*Ageing of trade payable is given under note no 54

1 The Company has ₹ 268.71 million (P.Y. ₹ 38.98 million) due to the suppliers under the micro small and medium enterprise development Act, 2006, as at March 31, 2024. The principal amount due to suppliers under the Act is ₹ 223.99 million (P.Y. ₹ 18.33 million). The interest accrued and due to the suppliers on the above amount is ₹ 42.24 million (P.Y. ₹ 19.95 million). Payment made to the suppliers (other than interest) beyond appointed day during the year is ₹ 3.31 million (P.Y. ₹ 2.56 million). Interest paid to the suppliers under the Act is ₹ 2.03 million (P.Y. Nil). Interest due and payable to the suppliers under the Act towards payments already made is ₹ 2.48 million (P.Y. ₹ 0.70 million). Interest accrued and remaining unpaid at the end of the accounting year is ₹ 44.72 million (P.Y. ₹ 20.65 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 ₹ 23.33 million (P.Y. ₹ 18.68 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.

2 Company has entered into supplier finance arrangments of ₹ 1,554.35 million with various parties which provide extended credit period by 3 -8 months with the interest rate ranging between 9.3% to 13.10%

Notes to Standalone Financial Statement

for the year ended March 31, 2024

NOTE : 23

OTHER FINANCIAL LIABILITIES

	Current	
	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Interest accrued and due on borrowings	-	16.12
Deposits	227.84	131.33
	227.84	**147.45**

NOTE : 24

OTHER CURRENT LIABILITIES

		Current	
		March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
(a)	**Other Liabilities**		
	Contractee advances	4,168.59	6,219.13
	Other payables		
	Payable to employees	662.66	568.97
	Other liabilities	977.88	651.06
(b)	**Balance in current account**		
	(i) With subsidiaries, associates	0.90	0.89
	(ii) With joint ventures	735.48	549.29
		6,545.51	**7,989.34**

NOTE : 25

REVENUE FROM OPERATIONS

		March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
(a)	Revenue/turnover	39,759.03	34,290.02
	Add: increase/(decrease) in work in progress	3,005.42	3,198.55
	Sale of goods	-	-
	Total turnover	**42,764.45**	**37,488.57**
(b)	Other operating revenue		
	Lease and service charges	0.46	0.86
	Miscellaneous operating revenue	1,355.48	681.83
		44,120.39	**38,171.26**

Notes to Standalone Financial Statement

for the year ended March 31, 2024

NOTE : 26

OTHER INCOME

	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Gain on sale of assets (net)	2.60	12.99
Gain on sale of investments (net)	4.36	0.30
Other non operating income	220.27	285.17
Interest income	733.33	829.66
Net gain on foreign currency translation	48.56	173.95
Excess credit written back	80.77	140.63
	1,089.89	**1,442.71**

NOTE : 27

COST OF CONSTRUCTION

	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Stores, embedded goods and spare parts*		
Inventories at the beginning of the year	2,463.55	2,135.28
Add : purchase (net)	9,769.21	9,380.17
	12,232.76	**11,515.45**
Less : inventories at the end of the year	3,182.67	2,463.55
Consumption of stores and spares	**9,050.09**	**9,051.90**
Piece rate expenses (net)	17,485.64	15,153.83
Repairs to machinery	78.49	60.50
Transportation, hire etc.	1,245.77	1,681.15
Power, electricity and water charges	560.47	630.61
Project development cost	6.68	-
Technical consultancy fees	162.53	170.15
Other construction costs	3,835.90	1,180.51
	32,425.57	**27,928.65**

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

NOTE : 28

EMPLOYEE BENEFITS EXPENSE

	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Salaries, wages and bonus	3,122.49	2,864.82
Contribution to provident and other funds (refer note no 32)	217.55	184.49
Staff welfare expenses	191.78	198.97
	3,531.82	**3,248.28**

Notes to Standalone Financial Statement

for the year ended March 31, 2024

NOTE : 29

FINANCE COSTS

	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Interest expense	2,880.72	3,242.31
Other borrowing costs	687.16	754.99
	3,567.88	**3,997.30**

NOTE : 30

OTHER EXPENSES

	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Other administrative costs		
Rent	87.52	80.76
Insurance	225.60	269.77
Rates and taxes	216.44	186.05
Advertisement and selling expenses	6.73	23.81
Travelling and conveyance	95.82	84.16
Directors fees	1.95	2.23
Auditor's remuneration		
Audit fees	5.02	5.04
Limited review	1.20	0.80
Taxation and other services	3.56	4.24
Certification	0.63	0.06
	10.41	**10.14**
Communication expenses	20.54	17.48
Printing and stationery	19.92	20.12
Legal and consultancy charges	547.95	370.53
Loss on sale of asset discarded	0.36	0.01
CSR expenses	11.66	15.80
Irrecoverable debts written off / provided	391.82	8.31
Other expenses	325.22	500.38
	1,961.94	**1,589.55**

Notes to Standalone Financial Statement

for the year ended March 31, 2024

NOTE : 31

EXCEPTIONAL ITEMS :

	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Reversal of provision made in earlier years [a]	-	(653.30)
Provision for doubtful trade receivable [b]	-	663.05
Loss on Sale of investment [c]	-	67.81
Arbitration award received [d]	(591.60)	-
Provision for impairment on investment [d]	0.16	240.20
Loans & advances in subsidiary written off [e]	450.56	-
Investment in subsidiary written off [e]	25.76	-
Gain on discontinued operation of subsidiary [f]	(611.32)	-
Gain on revaluation of investment [f]	(148.61)	-
Irrecoverable balance written off [g]	(159.23)	(256.98)
	(1,034.28)	**60.78**

a) On substantial completion of the project, company has reversed the provision made for future loss in previous year.

b) During the previous period, 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 previous year.

d) During the year, Company has received a favourable award, net of financing cost of arbitration, from International Arbitration Tribunal against the investment made by the Company in the Mauritius project via Waterfront Development Limited ('WDL' 'SPV') through investment and loan made to SPV. Since the SPV's were created for this particular project, hence investment made has been impaired . In the previous year, Company had made provision for impairment based on indication of diminution in value of investment in entity.

e) During the year, post the receipt of the above mentioned award, the Company has decided to exit from its investments made in Mauritius and Singapore entities, hence Company has written off the loan and investment made therein.

f) During the year, Company has diluted the part stake in a subsidiary viz Michigan Engineers Pvt Ltd ('MEPL') and recognised the gain on dilutation of the MEPL. Further, balance investment has been measured as fair value through profit and loss.

g) Based on internal and external information Company has reversed the provision made earlier.

32 EMPLOYEE BENEFITS

I Brief description of the plans

The Company provides long-term benefits in the nature of provident fund and gratuity to its employees. In case of funded schemes, the funds are recognized by the income tax authorities and administered through appropriate authorities/insurers. The Company's defined contribution plans are provident fund, employee state insurance and employees' pension scheme (under the provisions of the employees' provident funds and miscellaneous provisions Act, 1952) since the Company has no further obligation beyond making the contributions. The Company's defined benefit plans include gratuity benefit to its employees, which is funded through the life insurance corporation of India. The employees of the Company are also entitled to leave encashment and compensated absences as per the Company's policy. The provident fund scheme additionally requires the Company to guarantee payment of specified interest rates, any shortfall in the interest income over the interest obligation is recognised immediately in the statement of profit and loss as actuarial loss. Any loss/gain arising out of the investment with the plan is also recognised as expense or income in the period in which such loss/gain occurs.

Notes to Standalone Financial Statement

for the year ended March 31, 2024

II Disclosures for defined benefit plan based on actuarial reports as on March 31, 2024 and March 31, 2023:

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

₹ Million

	Gratuity (Funded)	Gratuity (Non - funded)
Current service cost	34.22	4.28
	(28.19)	(5.53)
Interest cost (net)	7.52	1.74
	(9.11)	(1.80)
Past Service Cost	-	-
	-	-
Net actuarial (gain) / losses	17.48	(6.70)
	(-4.45)	(-8.93)
Total expenses recognized in the statement of profit and loss	**59.22**	**(0.68)**
	(32.86)	(-1.60)

(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	(220.86)	(18.82)
	(-183.79)	(-23.24)
Fair value of plan assets as at the year end	125.25	-
	(84.37)	-
Funded liability recognized in the balance sheet	**(95.61)**	**(18.82)**
	(-99.43)	**(-23.24)**

(iii) Changes in defined benefit obligation :

	Gratuity (Funded)	Gratuity (Non - funded)
Liability at the beginning of the year	183.79	23.24
	(163.48)	(24.84)
Interest cost	13.89	1.74
	(11.82)	(1.80)
Current service cost	34.22	4.28
	(28.19)	(5.53)
Past Service Cost	-	-
	-	-
Benefit paid	(27.73)	(3.74)
	(-15.65)	-
Actuarial (gains) / losses on obligations	16.68	(6.70)
	(-4.04)	(-8.93)
Liability at the end of the year	**220.86**	**18.82**
	(183.79)	**(23.24)**

Notes to Standalone Financial Statement

for the year ended March 31, 2024

(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	84.37	-
	(37.43)	-
Expected return on plan assets	6.38	-
	(2.71)	-
Contributions by the employer	63.04	-
	(59.48)	-
Benefit paid	(27.73)	-
	(-15.65)	-
Actuarial gain on plan assets	(0.81)	-
	(0.41)	-
Fair value of plan assets at the end of the year	125.25	-
	(84.37)	-
Total actuarial gain to be recognized	**17.48**	**-**
	(-4.45)	**-**

(v) Actual return on plan assets

	Gratuity (Funded)	Gratuity (Non - funded)
Expected return on plan assets	6.38	-
	(2.71)	-
Actuarial gain on plan assets	(0.81)	-
	(0.41)	-
Actuarial gain on plan assets	5.57	-
	(3.11)	-

(vi) The Company expects to contribute ₹ 100.78 million (P.Y. ₹ 95.09 million) to gratuity funded plan in FY 2024-25.

(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 Standalone Financial Statement

for the year ended March 31, 2024

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

	Gratuity (Funded)	Gratuity (Non - funded)
Discount rate	7.22%	7.22%
	(7.56%)	(7.50%)
Rate of increase in compensation levels	5.50%	5.50%
	(5.50%)	(5.50%)
Expected rate of return on plan assets	7.22%	-
	(7.56%)	-
Attrition rate	4.00%	4.00%
	(4.00%)	(4.00%)
Average age of retirement (years)	62	60
	(62)	(60)

(ix) Experience adjustments

	Gratuity (Funded)	Gratuity (Non - funded)
On plan obligation (gain)/loss	10.59	(7.14)
	(0.96)	(-8.29)
On plan asset (loss)/gain	(0.81)	-
	(0.41)	-

(x) Maturity Profile of defined benefit obligation

	Gratuity (Funded)	Gratuity (Non - funded)
1 years	18.09	1.01
	(19.87)	(1.19)
Between 2 to 5 years	61.87	4.25
	(50.72)	(5.52)
Beyond 5 years	394.18	48.10
	(333.31)	(60.06)
The weighted average duration of the defined benefit plan obligation at the end of the reporting period (years)	10	13
	(10)	(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. 28 as contribution to provident and other funds ₹ 217.55 million (P.Y. ₹ 184.49 million)

Notes to Standalone Financial Statement

for the year ended March 31, 2024

33 LEASE

Disclosure as per IND AS 116

a) Amount recognised under statement of profit and loss

Particulars	2023-24	2022-23
Depreciation	46.76	56.17
Interest on lease liability	25.13	29.89
Expenses related to short term leases	87.52	80.76
Total expenses	**159.42**	**166.82**

b) Maturities of lease liabilities as

₹ Million

Particulars	Less than 1 year	1 - 5 years	More than 5 years	Total
At March 31, 2024				
Lease liabilities	120.65	123.52	-	244.17
At March 31, 2023				
Lease liabilities	92.67	78.19	-	170.86

34 EARNING PER SHARE (EPS)

	2024 ₹ Million	2023 ₹ Million
Net profit as per the Standalone statement of profit and loss available for shareholders for both basic and diluted earnings per shares of ₹ 1/- each	2,855.96	1,555.64
Weighted average number of equity shares for basic EPS (in no.)	77,36,17,228	52,46,25,625
Add: weighted average potential equity shares		
- On issue of optionally convertible debentures	9,30,77,755	35,59,40,628
Weighted average number of equity shares for diluted EPS (in no.)	86,66,94,983	88,05,66,253
Earning per share (basic) ₹	3.69	2.97
Earning per share (diluted) ₹	3.59	2.10

Notes to Standalone Financial Statement

for the year ended March 31, 2024

35 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. Welspun Michigan Engineers Ltd. (Till May 25, 2023) (Formally know as Michigan Engineers Pvt. Ltd)
2. Shreeanant Construction Pvt. Ltd.
3. Energy Design Pvt. Ltd.
4. Patel Patron Pvt. Ltd.
5. Pandora Infra Pvt. Ltd. (Till March 28, 2023)
6. Shashvat Land Projects Pvt. Ltd.
7. Patel Engineering Lanka Pvt. Ltd
8. Vismaya Constructions Pvt. Ltd.
9. Bhooma Realties Pvt. Ltd.
10. Friends Nirman Pvt. Ltd.
11. Hampus Infrastructure Pvt. Ltd.
12. Patel Engineering Infrastructure Ltd.
13. Dirang Energy Pvt. Ltd. (DEPL)
14. West Kameng Energy Pvt. Ltd.
15. Digin Hydro Power Pvt. Ltd.
16. Meyong Hydro Power Pvt. Ltd.
17. Saskang Rong Energy Pvt. Ltd.
18. Patel Engineering (Mauritius) Ltd.
19. Patel Engineering Singapore Pte. Ltd.
20. Patel Engineering Inc.
21. Patel KNR Infrastructures Ltd.
22. Arsen Infra Pvt. Ltd.
23. Hera Realcon Pvt. Ltd.
24. PBSR Developers Pvt. Ltd.
25. Waterfront Developers Ltd.
26. Patel Energy Ltd.
27. Bellona Estate Developers Ltd (W.e.f August 28, 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.

Subsidiaries of Patel Engineering Singapore Pte Ltd.

1. Patel Surya Singapore Pte. Ltd. (Till August 07, 2023)
2. PT PEL Minerals Resources
3. PT Patel Surya Jaya
4. PT Patel Surya Minerals
5. PT Surpat Geo Minerals
6. PT Surya Geo Minerals (w.e.f. August 07, 2023)

Subsidiary of Patel Surya Singapore Pte. Ltd.

PT Surya Geo Minerals (Till August 07, 2023)

Subsidiary of PT PEL Minerals Resources

PT Patel Engineering Indonesia

Notes to Standalone Financial Statement

for the year ended March 31, 2024

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
2 Patel Mining Priviledge, Lda
3 Patel Infrastructure, Lda
4 Trend Mining Projects, Lda
5 Accord Mines Venture,Lda
6 Netcore Mining Operations,Lda
7 Metalline Mine Works,Lda
8 Patel Mining Assignments, Lda
9 Chivarro Mines Mozambique, Lda
10 Fortune Mines Concession, Lda
11 Omini Mines Enterprises, Lda
12 Quest Mining Activities, Lda

Direct Associates:

1 ACP Tollways Pvt. Ltd.
2 Raichur Sholapur Transmission Co. Pvt. Ltd. (Till November 09, 2022)
3 Bellona Estate Developers Ltd. (Till August 28, 2023)
4 Hitodi Infrastructure Pvt. Ltd. (Formally known as Hitodi Infrastructure Ltd.)

Associate of Patel Engineering Infrastructure Ltd.

1 Patel KNR Heavy Infrastructures Ltd.

Associate of Lucina Realtor Pvt. Ltd.

1 PAN Realtors Pvt. Ltd.

Joint Ventures: refer note (40)

Partnership

1. 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 (Till October 13, 2023)	Whole Time Director
Ms. Kavita Shirvaikar	Whole Time Director and Chief Financial Officer
Mr. Tirth Nath Singh (from November 3, 2023)	Whole Time Director Projects and Corporate Affairs
Ms. Shobha Shetty	Company Secretary

Notes to Standalone Financial Statement

for the year ended March 31, 2024

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	
	2023-24	2022-23	2023-24	2022-23
- Investment in equity / preference shares	-	-	1.10	-
- Miscellaneous receipts	-	-	1.37	32.19
- Loans/advances given & current account movement	56.63	37.35	97.59	7.45
- Loans / advances recovered / adjusted	23.54	161.24	50.50	140.78
- Reimbursement of expenses from	64.57	37.73	-	1.90
- Rent paid	16.00	-	-	-
- Interest income	276.81	267.09	-	-
- Sundry balances written off	1,541.94	-	-	14.36
- Refund of mobilisation advance	1.77	0.38	-	-
- Other operating income	-	281.69	265.19	43.19
- Provision / (reversal) for impairment of investment	0.16	-	1.10	240.20
- Provision/(reversal) for impairment of loans and advances	(69.81)	2.56	(87.91)	0.89
- Conversion of loan into other financials assets	1,488.14	-	-	-
- Repayment of loan	-	-	110.75	1,309.17
- Loan taken	-	-	5.97	1,063.10
- Purchase of financial assets	-	-	-	123.10
- Sub-contractor cost	214.30	110.73	-	-
- Sale of service	-	-	651.13	585.05
- Advance received	12.00	-	-	-
- Security deposit given	36.60	182.70	-	-
- Decrease / (increase) in corporate guarantee exposure	894.70	-149.56	3,126.07	658.75
- Other non operating income	-	5.42	-	-

Outstanding balances	Subsidiary companies		Associates/ joint operations / partnership/others	
	2023-24	2022-23	2023-24	2022-23
- Corporate guarantee outstanding as at the end of the year	119.80	1,014.50	279.92	3,405.98
- Bank guarantee outstanding as at the end of the year	-	-	92.36	92.36
- Outstanding balance included in current/ non current assets	5,208.68	7,819.97	967.35	928.35
- Outstanding balance included in current / non current liabilities	101.86	53.63	1,509.93	1,452.64

Notes to Standalone Financial Statement

for the year ended March 31, 2024

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	2023-24	2022-23
- Investment in equity / preference shares	Bellona Estate Developers Ltd.	1.10	-
- Miscellaneous receipts	NEC PEL JV	1.32	-
	Patel-Michigan JV	-	30.34
- Loans/advances given & current account movement	PBSR Developers Pvt. Ltd.	52.67	5.79
	Patel SEW JV	81.55	7.38
	Vismaya Constructions Pvt. Ltd.	-	9.36
	Bellona Estate Developers Ltd.	13.78	-
	Patel Patron Pvt. Ltd.	-	16.38
- Loan/ advances recovered / adjusted	Raichur Solapur Transmission Co. Pvt. Ltd.	-	30.34
	PBSR Developers Pvt. Ltd.	23.51	-
	Pandora Infra Pvt. Ltd.	-	126.10
	Patel SEW JV	50.36	65.44
	Patel Michigan JV	-	45.00
- Reimbursement of expenses from	Bellona Estate Developers Ltd.	-	0.89
	Raichur Solapur Transmission Co. Pvt. Ltd.	-	1.02
	PBSR Developers Pvt. Ltd.	64.57	37.73
- Rent paid	PBSR Developers Pvt. Ltd.	16.00	0.00
- Interest income	Waterfront Developers Ltd.	30.66	39.55
	Shashvat Land Projects Pvt. Ltd.	50.93	44.62
	Pandora Infra Pvt. Ltd.	52.47	56.56
	Patel Engineering Infrastructure Ltd.	127.19	111.57
- Sundry balances written off	Raichur Solapur Transmission Co. Pvt. Ltd.	-	14.36
	Patel Engineering (Mauritius) Ltd.	476.32	-
	Patel Engineering (Singapore) Ltd.	1,065.62	-
- Refund of mobilisation advance	Dirang Energy Pvt. Ltd.	1.77	0.38
- Other operating income	Hitodi Infrastructure Pvt. Ltd.	96.77	-
	DBL PEL JV	17.40	-
	Patel KNR JV	-	6.14
	PEL Civit Project JV	20.01	
	NEC PEL JV	92.06	20.78
	VPRPL-PEL JV	-	14.89
	Patel Patron Pvt. Ltd.	-	82.57
	Vismaya Constructions Pvt. Ltd.	-	174.12

Notes to Standalone Financial Statement

for the year ended March 31, 2024

₹ Million

Particular	Name of the Company	2023-24	2022-23
- Provision / (reversal) for impairment of investment	Waterfront Developers Ltd	0.16	-
	Bellona Estate Developers Ltd.	1.10	-
	Hitodi Infrastructure Pvt. Ltd.	-	240.20
- Provision / (reversal) for impairment of loans and advances	Shreeanant Constructions Pvt. Ltd.	-	3.13
	Bhooma Realities Pvt. Ltd.	-	(0.61)
	Bellona Estate Developers Ltd.	(87.91)	0.89
	Patel KNR Infrastructures Ltd	(72.00)	-
- Conversion of loan into other financials assets	Waterfront Developers Ltd	1,488.14	-
- Repayment of loan	Raahitya Constructions Pvt. Ltd.	-	1,300.00
	Hitodi Infrastructure Pvt. Ltd.	110.75	9.17
- Loan taken	Raahitya Constructions Pvt. Ltd.	-	1,050.00
	Hitodi Infrastructure Pvt. Ltd.	5.97	13.10
- Purchase of financial assets	Patel KNR JV	-	120.45
- Sub-contractor cost	PBSR Developers Pvt. Ltd.	214.30	110.73
- Sale of service	Patel Sew JV	492.83	574.46
	PEL PC JV	158.30	-
- Advance received	Shreeanant Construction Pvt. Ltd.	12.00	-
- Security deposit given	PBSR Developers Pvt. Ltd.	36.60	182.70
- Decrease / (increase) in corporate guarantee exposure	Raichur Solapur Transmission Company Pvt. Ltd.	-	697.53
	Michigan Engineering Pvt. Ltd.	881.70	(149.56)
	Patel Sew JV	51.67	(3.70)
	Bellona Estate Developers Ltd.	3,074.39	-
- Other non operating income	Michigan Engineering Pvt. Ltd.	-	5.42

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

₹ Million

Particular	2023-24	2022-23
Managerial remuneration	91.80	78.06
Contribution to provident fund	4.78	4.22
Outstanding balance payable	3.68	7.13
Outstanding balance receivable	-	4.05

Notes to Standalone Financial Statement

for the year ended March 31, 2024

36 SEGMENT REPORTING

Based on the "management approach" as defined in Ind AS 108 – operating segments, the Chairman and Managing Director / Chief Financial Officer evaluates the Company's performance and allocate resources based on an analysis of various performance indicators by business segment. Accordingly information has been presented along these segments. The accounting principles used in the preparation of the financial statement are consistently applied in individual segment to prepare segment reporting.

Primary segment :

₹ Million

Particulars	As at March 31, 2024		
	Business segments		
	EPC	Real estate	Total
Segment revenue	44,107.18	13.21	44,120.39
Segment results	2,600.07	151.70	2,751.77
Segment assets	81,678.66	5,215.57	86,894.23
Segment liabilities	53,312.26	2,122.66	55,434.92
Addition to fixed assets	853.30	-	853.30
Segment depreciation	971.25	0.05	971.30

₹ Million

Particulars	As at March 31, 2023		
	Business segments		
	EPC	Real estate	Total
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	52,736.76
Addition to fixed assets	2,033.01	-	2,033.01
Segment depreciation	806.35	0.06	806.41

Geographical segment :

₹ Million

Particulars	As at March 31, 2024		
	Within India	Outside India	Total
Revenue	40,500.87	3,619.52	44,120.39
Non current assets	31,389.42	433.29	31,822.71

₹ Million

Particulars	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 Standalone Financial Statement

for the year ended March 31, 2024

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, 2024	As at March 31, 2023
Revenue from top customer	5,754.64	5,135.37
Revenue from top five customers	18,471.29	17,649.57

37 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 ₹ 11.66 million (P.Y. ₹ Nil) during the financial year on corporate social responsibility (CSR). The Company incurred an amount of ₹ 14.33 millions (PY ₹ 15.80 millions) towards CSR expenditure and unspent / (excess) CSR amount as on March 31, 2024 is ₹ (29.61) millions (PY ₹ (26.94) millions).

B) Break up of amount spent during the year

Particulars		In cash	Yet to be paid in cash	Total
As on March 31, 2024				
i)	Construction/acquisition of any assets	-	-	-
ii)	Purposes other than (i) above	14.33	-	14.33
	Total	**14.33**	**-**	**14.33**
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**

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, 2024	As at March 31, 2023
Opening provision	-	-
Addition during the year	14.33	15.80
Utilised during the year	14.33	15.80
Closing provision	**-**	**-**

E) Unspent / (excess) amount

Particulars	As at March 31, 2024	As at March 31, 2023
Opening unspent / (excess) balance	(26.94)	(11.14)
Amount deposited in specified fund of Sch. VII within 6 months	-	-
Amount required to be spent during the year	11.66	-
Amount spent during the year	14.33	15.80
Amount which is not carried forward to next year	-	-
Closing unspent / (excess) balance	**(29.61)**	**(26.94)**

Notes to Standalone Financial Statement

for the year ended March 31, 2024

38 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.

39 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.

40 Contracts executed by the following joint ventures / consortiums are accounted for as per the accounting policy no. (i). The principal place of business of all these joint operations is in India and they are engaged in construction business.

Name of the joint venture / consortium	Name of the JV / consortium member	Patel's share
Joint operations :		
CICO-Patel JV	Chongqing International Construction Corporation	99.90%
Patel Sew JV	Sew Infrastructure Ltd.	60%
KNR – PATEL J.V.	KNR Constructions Ltd.	49%
PATEL –KNR J.V.	KNR Constructions Ltd.	50%
Patel – V Arks - Precision	V Arks Engineers Pvt. Ltd.	60%
PATEL – SOMA J.V	Soma Enterprises Ltd.	50%
Patel – V Arks JV	V Arks Engineers Pvt. Ltd.	65%
Patel – Avantika – Deepika – BHEL	Avantika Contractors India Pvt. Ltd.	52.83%
AGE Patel JV	AGE Insaat VE Ticaret A.S.	49%
PATEL – MICHIGAN JV	Michigan Engineers Pvt. Ltd.	10%
PEL-UEIPL JV	M/s Ujjain Engicon India Pvt. Ltd	60%
PEL-PPCPL-HCPL JV	Power Patkar Construction Pvt. Ltd. & Harsh Construction Pvt. Ltd.	51%
Patel VI JV	Vikram Infrastructure	51%
Onycon Enterprises	Onycon Infra LLP	60%
PEL-Gond JV	Mantena Constructions Pvt. Ltd.	45%
HES Shuthaliya JV	HES Infra Pvt. Ltd.	45%
PEL-Parbati JV	HES Infra Pvt. Ltd.	52%
NEC-PEL- JV	Nvayuga Engineering Company Ltd.	45%
PEL - Ghodke	M/s. R. B. Ghodke	51%
PEL-ISC-PRATHMESH JV	ISC Projects Pvt. Ltd., Prathmesh Construction	50%
ISC Projects-PEL JV	ISC Projects Pvt. Ltd.	49%
PATEL -CIVET-CHAITRA Micro(KA) JV	M/s Civet Projects Pvt. Ltd. & M/s Chaitra Civil Venture LLP	51%
VPRPL - PEL JV	M/s Vishnu Prakash R Punglia Ltd.	51%

Notes to Standalone Financial Statement

for the year ended March 31, 2024

Name of the joint venture / consortium	Name of the JV / consortium member	Patel's share
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%
PATEL-SA JV	Sandeep Associates	75%
Era Patel Advance Kiran JV	Era Infra Engineering Ltd., Advance Construction Company Pvt. Ltd., Kiran Udhyog	47.06%
Patel APCO JV	APCO Infratech Ltd.	50%
Era Patel Advance JV	Era Infra Engineering Ltd., Advance Construction Company Pvt. Ltd.	30%
Patel – Siddhivinayak JV	Siddhivinayak Constructions	51%
PEL-CIVET Project JV	M/s Civet Projects Pvt. Ltd.	51%
Jai Sai Construction JV	M/s Jai Sai Construction	60%
VIDPL LIS1 JV	M/s Vikram Infratech Developers Pvt. Ltd.	51%
VKMCPL-PEL JV	M/s Vijay Kumar Mishra Construction Pvt. Ltd.	35%
DBL-PEL JV	M/s Dilip Buildcon Ltd.	35%
Raj Infra Deoghar JV	M/s Raj Infrastructure Development (India) Pvt. Ltd.	40%

41 Derivative transactions :

Foreign currency exposure that are not hedged by derivative instruments as on March 31, 2024 amounting to ₹ 2,574.64 million (P.Y. ₹ 2,011.55 million).

Foreign currency exposure outstanding at ₹ Million

Particulars	March 31, 2024		March 31, 2023	
	Amount in foreign currency	Amount in functional currency	Amount in foreign currency	Amount in functional currency
Assets				
Trade receivable				
EURO	0.38	34.44	0.39	34.99
NPR	101.37	63.36	116.42	72.76
USD	0.54	45.30	0.60	49.10
Security deposit				
EURO	0.03	3.08	0.03	3.06
JPY	36.22	19.95	36.22	22.37
NPR	302.05	188.78	411.85	257.41
USD	0.00	0.06	0.00	0.06
Inventories				
NPR	2,791.22	1,744.51	3,065.10	1,915.69
Interest accrued				
EURO	0.01	0.70	0.01	0.70
NPR	0.61	0.38	0.74	0.46

Notes to Standalone Financial Statement

for the year ended March 31, 2024

Foreign currency exposure outstanding at ₹ Million

Particulars	March 31, 2024		March 31, 2023	
	Amount in foreign currency	Amount in functional currency	Amount in foreign currency	Amount in functional currency
Cash and bank balance				
LKR	0.03	0.01	0.03	0.01
MUR	-	-	0.00	0.01
NPR	284.07	177.55	89.52	55.95
USD	-	-	-	-
Advance to contractors / suppliers				
NPR	777.05	485.65	1,168.88	730.55
Loan and interest thereon to group companies				
LKR	-	-	-	-
MUR	-	-	43.63	78.61
NPR	-	-	-	-
USD	-	-	21.17	1,739.65
Fixed assets				
NPR	631.97	394.98	783.61	489.75
Other advance				
MUR	6.79	12.19	2.85	5.14
NPR	357.63	223.52	305.45	190.90
Other Current financial assets				
USD	25.54	2,128.88	-	-
Liability				
Security deposit				
NPR	(10.13)	(6.33)	(24.13)	(15.08)
Advance from contractor				
EURO	(4.40)	(352.29)	(4.40)	(352.29)
NPR	(693.97)	(433.73)	(1,908.92)	(1,193.07)
USD	(0.07)	(4.55)	(0.07)	(4.55)
Trade payable				
EURO	(1.43)	(128.69)	(1.92)	(166.90)
NPR	(2,555.97)	(1,597.48)	(2,424.20)	(1,515.12)
SGD	-	-	-	-
USD	(0.14)	(11.58)	(0.13)	(10.64)
Other liability				
NPR	(659.36)	(412.10)	(600.54)	(375.34)
USD	(0.02)	(1.93)	(0.03)	(2.63)

Notes to Standalone Financial Statement

for the year ended March 31, 2024

42 The Company's pending litigations comprise of claims by or against the Company primarily by the customers / contractors/suppliers, etc. and proceedings pending with tax and other government authorities. The Company has reviewed its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in it's financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results. In respect of litigations, where the management assessment of a financial outflow is probable, the Company has made adequate provision of ₹ 25.85 million (P.Y. ₹ 29.38 million) and appropriate disclosure for contingent liabilities is given.

43 Contingent liabilities

(a) Commitment for capital expenditure is ₹ 339.53 million (P.Y. ₹ 807.19 million), advance paid is ₹ 65.96 million (P.Y. ₹ 102.05 million).

(b) Outstanding secured guarantees in respect of contractual commitments in the ordinary course of business of the Company and group entities is ₹ 22,180.40 million (P.Y. ₹ 20,678.79 million) (including customs ₹ 42.88 million (P.Y.₹ 42.88 million). Corporate guarantees / letter of credit on behalf of subsidiaries and others is ₹ 399.72 million (P.Y. ₹ 4,420.48 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 ₹ 1,882.33 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 ₹ 130.84 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 ₹ 3,731.18 million (P.Y. ₹ 3,018.59 million).

(f) Provident fund liability that may arise on matter in appeal ₹ 15.79 million (P.Y. ₹ 15.79 million) and advance paid ₹ 14.63 million (P.Y. 14.63 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 has been offered as shortfall undertaking in form of security in favour of a bank against credit facilities availed by strategic partners and the Company is under commitment to construct specific area for land owner.

Notes to Standalone Financial Statement

for the year ended March 31, 2024

44 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, 2024	As at March 31, 2023	Maximum amount outstanding (2023 – 24)	Maximum amount outstanding (2022 – 23)
Subsidiaries / Step down subsidiaries				
1 Michigan Engineers Pvt. Ltd.	-	94.75	94.75	101.14
2 Patel Patron Pvt. Ltd.	1.14	0.93	1.48	15.08
3 Patel Energy Ltd.	1,015.77	1,015.57	1,015.77	1,015.57
4 Patel Engineering (Mauritius) Ltd.	-	429.17	450.56	430.75
5 Patel Engineering Infrastructure Ltd.	1,035.72	908.48	1,035.72	908.48
6 Vismaya Constructions Pvt. Ltd.	1.38	1.16	1.45	8.46
7 Shashvat Land Projects Pvt. Ltd.	414.78	363.74	414.78	363.74
8 Bhooma Realties Pvt. Ltd.	224.53	224.42	224.53	224.42
9 Pandora Infra Pvt. Ltd.	427.31	374.75	427.31	474.38
10 Patel Eng. Singapore Pte. Ltd.	-	957.44	971.40	964.24
11 Dirang Energy Pvt. Ltd.	-	-	0.81	0.16
12 Energy Design Pvt. Ltd.	71.16	71.15	71.16	71.35
13 PT Patel Surya Minerals	12.84	12.66	12.85	12.75
14 Patel Engineering Lanka Pvt. Ltd.	11.49	10.34	11.77	10.65
15 Shreeanant Constructions Pvt. Ltd.	90.11	90.11	90.11	90.11
16 Bellona Estate Developers Ltd.	13.79	-	14.66	-
17 Arsen Infra Pvt. Ltd.	16.88	16.77	16.88	16.77
18 Hera Realcon Pvt. Ltd.	1.30	1.29	1.30	1.29
19 Lucina Realtors Pvt. Ltd.	-	-	0.01	0.00
20 PBSR Developers Pvt. Ltd.	555.20	526.04	555.20	530.98
21 Waterfront Developers Ltd.	-	1,439.92	1,479.98	1,443.98
22 PATEL KNR Infrastructures Ltd.	0.33	0.32	1.20	0.32
23 Hampus Infrastructure Pvt. Ltd.	0.37	0.34	0.37	0.34
24 Friends Nirman Pvt. Ltd.	-	-	0.01	0.00
25 West Kameng Energy Pvt. Ltd.	221.73	221.68	221.73	221.68
26 Meyong Hydro Power Pvt. Ltd.	243.58	240.86	243.58	240.86
27 Digin Hydro Power Pvt. Ltd.	286.79	286.74	286.79	286.74
28 Saskang Rong Energy Pvt. Ltd.	224.21	224.16	224.21	224.16
Associates				
29 Raichur Solapur Transmission Co. Pvt. Ltd.	-	-	-	45.90
30 PATEL KNR Heavy Infrastructures Ltd.	25.01	25.01	25.01	25.01
31 Bellona Estate Developers Ltd.	-	0.89	-	0.89
Total	**4,895.41**	**7,538.68**	**7,895.35**	**7,730.20**

Notes to Standalone Financial Statement

for the year ended March 31, 2024

45 Disclosure pursuant to Ind AS 115, "Revenue from Contracts with Customers".

(i) Disaggregation of revenue from contracts with customers for the year ended March 31, 2024 recognised in the statement of profit & loss

	March 31, 2024 ₹ Million	March 31, 2023 ₹ Million
Primary geographical market wise		
Domestic	40,500.87	34,363.96
International	3,619.52	3,807.30
Major product/service lines wise		
EPC	44,107.18	38,049.27
Real estate	13.21	121.99
Timing of revenue recognition wise		
At a point in time	1,369.16	804.69
Over period of time	42,751.24	37,366.57

(ii) Unsatisfied Performance Obligations

The aggregate amount of transaction price allocated to performance obligations that are unsatisfied as at the end of reporting period is ₹ 18,663 crore (PY: ₹ 17,585 crore). Most of Company's contracts have a life cycle of three to five years. Management expects that around 25% - 30% of the transaction price allocated to unsatisfied contracts as of March 31, 2024 will be recognised as revenue during next reporting period depending upon the progress on each contracts. The remaining amounts are expected to be recognised over the next three to five years. The amount disclosed above does not include variable consideration.

(iii) Contract Balances

Particulars	Contract Assets (Unbilled Work in Progress	Contract Liabilities	Net Contract Balance
Balance as at April 1, 2022	24,485.94	10,713.87	13,772.07
Net increase / (decrease)	3,198.56	319.94	2,878.62
Balance as at March 31, 2023	27,684.50	11,033.81	16,650.69
Net increase / (decrease)*	3,016.59	(3,377.21)	6,393.80
Balance as at March 31, 2024	30,701.09	7,656.60	23,044.49

*Due to swapping of higher interest bearing contract liabilities of ₹ 2,520 million with low interest rate loan, contract liability has decreased in FY 23-24.

iv) There are no reconciliation items between revenue from contracts with customers and revenue recognised with contract price.

Notes to Standalone Financial Statement

for the year ended March 31, 2024

46 Category -wise classification of financials instruments

₹ Million

	Non current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Financial assets measured at FVTPL				
Investment	185.43	35.02	-	-
Financial assets measured at amortised cost				
Investments	2,156.12	2,221.89	-	-
Trade receivables	2,777.35	2,726.42	4,747.59	4,331.93
Loans	4,239.31	6,035.39	1,071.45	967.08
Deferred finance cost	22.25	70.31	-	-
Other assets	6,783.51	6,388.63	4,143.34	1,407.35
Cash and cash equivalents	-	-	1,910.04	1,705.55

₹ Million

	Non current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Financial liabilities measured at amortised cost				
Borrowings	4,620.57	3,984.41	12,701.04	11,437.35
Lease liabilities	123.52	78.19	120.65	92.67
Trade payables	6,391.48	6,182.16	18,545.60	14,774.44
Other financial liabilities	2,239.85	2,012.22	227.84	147.45

47 Fair value hirechay

i) The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities :

As at March 31, 2024 ₹ Million

Financial asset measured at FVTPL	Fair value as at March 31, 2024	Fair value hierarchy		
		Quoted prices in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
Investments	185.43	14.86	170.52	0.05

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	-	-

Notes to Standalone Financial Statement

for the year ended March 31, 2024

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.

48 Financial risk management

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Company is exposed to market risk, credit risk and liquidity risk. The board of directors ('Board') oversee the management of these financial risks through its risk management committee. The risk management policy of the Company formulated by the risk management committee, states the Company's approach to address uncertainties in its endeavour to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of the Company's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate financial risks in order to minimize potential adverse effects on the Company's financial performance.

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

1) Market risk

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

a) Interest rate risk

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

Interest rate sensitivity

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

₹ Million

Change in interest rate	Effect on profit before tax		Effect on total equity	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
+50 basis point	(115.23)	(129.69)	(74.96)	(84.37)
-50 basis point	115.23	129.69	74.96	84.37

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company does not enter into any derivative instruments for trading or speculative purposes.

Notes to Standalone Financial Statement

for the year ended March 31, 2024

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

₹ Million

Currency	Liabilities		Assets	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
EURO	480.98	519.19	38.22	38.75
JPY	-	-	19.95	22.37
LKR	-	-	0.01	0.01
MUR	-	-	12.19	83.76
NPR	3,085.83	3,098.62	3,914.91	3,713.48
USD	18.06	17.82	2,174.24	1,788.81

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. 41

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, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
+5%	22.14	24.02	14.40	15.63
-5%	(22.14)	(24.02)	(14.40)	(15.63)

₹ Million

Change in USD rate	Effect on profit before tax		Effect on total equity	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
+5%	107.81	88.55	70.14	57.61
-5%	(107.81)	(88.55)	(70.14)	(57.61)

c) **Equity price risk**

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

Price sensitivity

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

Notes to Standalone Financial Statement

for the year ended March 31, 2024

₹ Million

Change in Price of investment measured at FVTPL	Effect on profit before tax		Effect on total equity	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
+5%	9.27	1.75	6.03	1.14
-5%	(9.27)	(1.75)	(6.03)	(1.14)

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, 2024				
Borrowings*	12,701.04	4,615.05	5.52	17,321.61
Lease liability	120.65	123.52	-	244.17
Trade payables	18,545.60	6,391.48	-	24,937.08
Other financial liability	227.84	2,239.85	-	2,467.69
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	6,182.16	-	20,956.60
Other financial liability	147.45	1,935.69	76.53	2,159.66

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

Notes to Standalone Financial Statement

for the year ended March 31, 2024

49 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, 2024, the Company has only one class of equity shares and has moderate debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans. Consistent with others in the industry, the Company monitors its capital using the gearing ratio which is total debt divided by total capital.

₹ Million

Particulars	As at March 31, 2024	As at Mar 31, 2023
Total debt	17,321.61	15,421.76
Total equity	31,459.31	28,577.50
Total debt to total equity ratio (gearing ratio)	0.55	0.54

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.

50 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. Nil (P.Y. 3%), Adira Buildcon Pvt Ltd 26% (PY Nil) & Broadcast Lawgical Networks Pvt. Ltd. 25% (P.Y. 48%).

51 During the year company has made a political contribution of ₹ 19.65 million (P.Y. 30.00 Million) to political parties.

52 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.

53 The Company allotted 7,07,58,889 equity shares on April 25, 2024 at an issue price of ₹ 56.53 aggregating to ₹ 4,000 million to eligible QIBs. Post the said allotment the paid up share capital of Company stood at ₹ 84,43,76,117.

54 Ageing of trade payable

Particulars	Outstanding for following periods from due date of payment					
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Unbilled / not due	Total
As on March 31, 2024						
(i) MSME	49.65	115.91	10.14	83.28	9.73	**268.71**
(ii) PRW	3,464.90	789.49	244.36	862.03	11,006.36	**16,367.14**
(iii) Others trade creditors	5,427.49	1,897.32	87.44	630.94	193.32	**8,236.51**
(iv) Disputed dues — MSME	-	-	-	-	-	**-**
(v) Disputed dues - others	0.01	-	0.67	56.98	7.11	**64.76**
Total	**8,942.05**	**2,802.71**	**342.61**	**1,633.22**	**11,216.52**	**24,937.08**
As on March 31, 2023						
(i) MSME	1.44	1.71	11.17	4.00	20.66	**38.98**
(ii) PRW	2,967.91	356.11	303.37	584.41	9,739.95	**13,951.75**
(iii) Others trade creditors	5,149.94	270.03	401.34	742.42	353.57	**6,917.30**
(iv) Disputed dues — MSME	-	-	-	-	-	**-**
(v) 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**

Notes to Standalone Financial Statement

for the year ended March 31, 2024

55 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, 2024.

56 Additional regulatory required by schedule III to the Companies Act, 2013

i) The Company does not have has any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the benami transactions (prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii) The Company does not have any charges or satisfaction of charges which is yet to be registered with registrar of Companies beyond the statutory period.

iii) The Company has not traded or invested in crypto currency or virtual currency during the year.

iv) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or

b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

v) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries to third parties

vi) There is no income surrendered or disclosed as income during the year in tax assessments under the income tax act, 1961 (such as search or survey), that has not been recorded in the books of account.

vii) The Company has complied with the requirements of the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

viii) The Company has not entered into any scheme of arrangement which has an accounting impact on the standalone financial statements for the current or previous year.

57 Key financials ratio

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% Variance	Reason for variance
Current ratio	Total current assets	Total current liabilities	1.44	1.39	4%	
Debt-equity ratio	Total debt	Total equity	0.55	0.54	2%	
Debt service coverage ratio	Earning before depreciation interest and taxes	Interest + current maturity of LTD payable in current year	1.78	1.10	61%	Due to robust Company performance, reduction in interest bearing debt/advance and operation efficiencies EBIT has increased.
Return on equity ratio	Profit after tax	Total equity	9.08%	5.44%	67%	Due to robust Company performance and operation efficiencies, EBITDA, profit after tax has increased.

Notes to Standalone Financial Statement

for the year ended March 31, 2024

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% Variance	Reason for variance
Inventory turnover ratio*	NA	NA	NA	NA	NA	NA
Trade receivable turnover ratio	Revenue from operation	Average of opening and closing of current debtors	9.72	9.36	4%	
Trade payable turnover ratio	Cost of materials consumed	Average of opening and closing of current trade payable	1.39	1.78	-22%	
Net capital turnover ratio	Revenue from operation	Working capital (current assets - current liabilities)	2.61	2.86	-9%	
Net profit ratio	Profit after tax	Revenue from operation	6.47%	4.08%	59%	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)	12.96%	13.73%	-6%	
Return on investment	Profit available to equity shareholder	Total equity	9.16%	5.45%	68%	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.

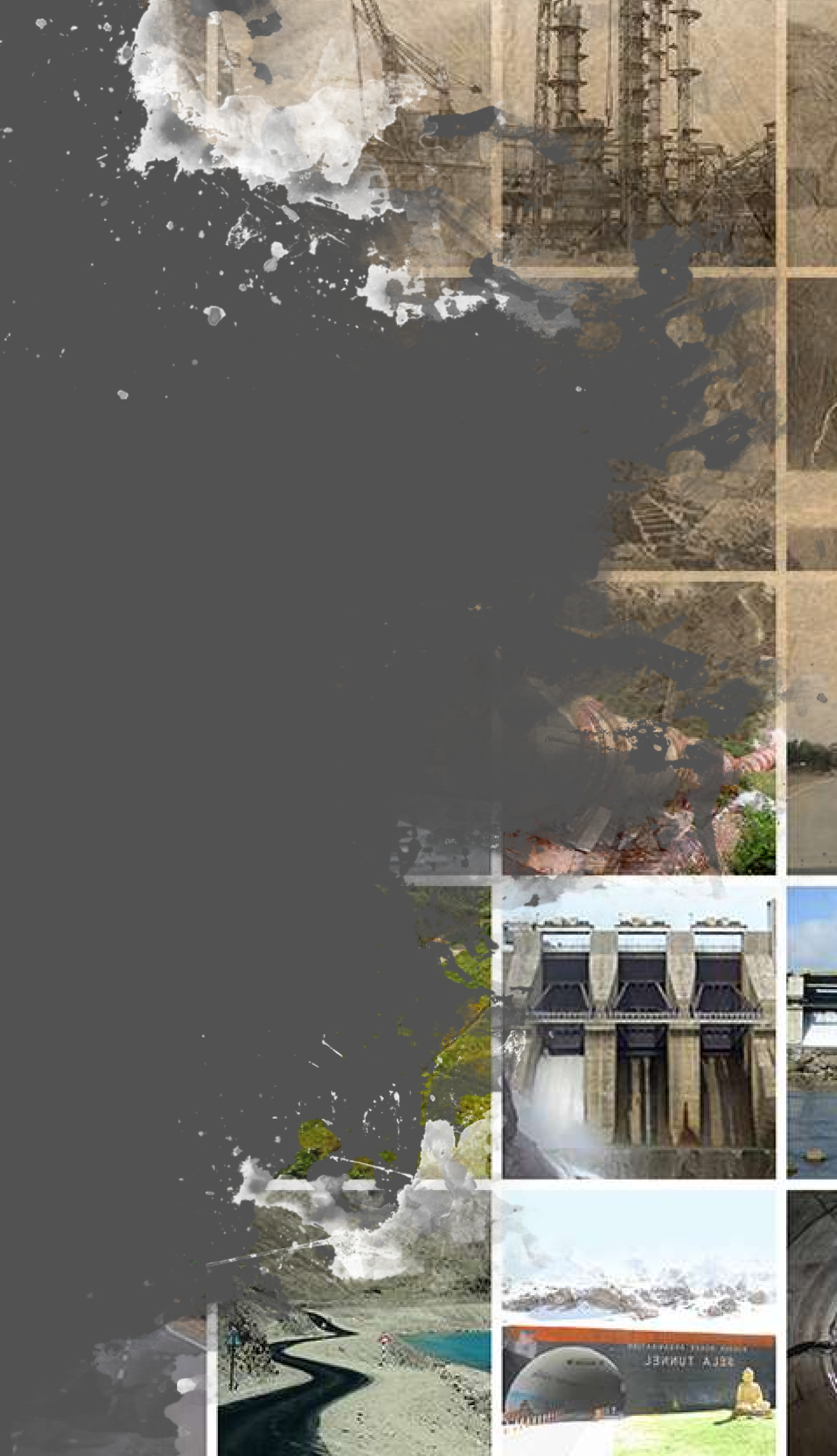
58 Previous year's figures have been regrouped, rearranged and reclassified, wherever necessary.

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 18, 2024

For and on behalf of Board
Rupen Patel
Chairman &
Managing Director
DIN : 00029583

Kavita Shirvaikar
Whole Time Director &
Chief Financial Officer
DIN : 07737376

Shobha Shetty
Company Secretary
Mem. No.: F10047



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