PATEL ENGINEERING LTD.

CIN: L99999MH1949PLCOO7039

September 05, 2020

To,

Bombay Stock Exchange Ltd.
PhirozeJeejeebhoy 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. 2019-2020

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 2019-2020.

You are requested to take the same on record.

Thanking you.

For Patel Engineering Ltd.

SHOBHA SHETTY Digitally signed by SHOBHA SHETTY Date: 2020.09.05 17:24:44 +05'30'

Shobha Shetty
Company Secretary
Membership No. F10047

Encl: as above

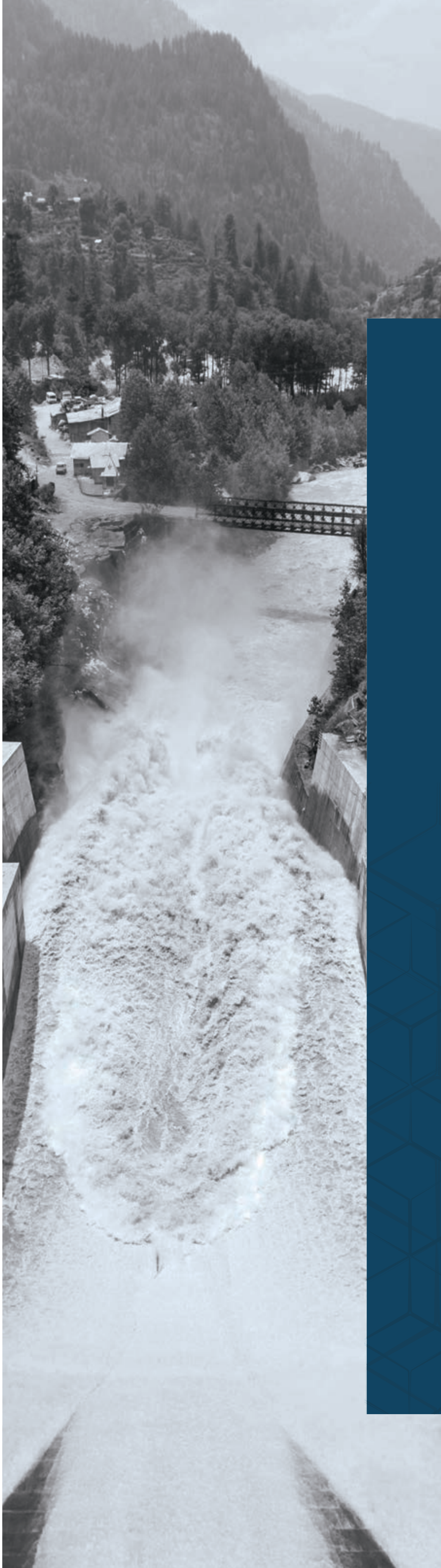
REGD. OFFICE:
Patel Estate Road, Jogeshwari (W), Mumbai – 400 102. India
Phone +91 22 26767500, 26782916 Fax +91 22 26782455, 26781505
Email headoffice@pateleng.com Website www.pateleng.com

2019 - 2020

ANNUAL REPORT

Since 1949

Patel Engineering Ltd.



CONTENT

Corporate Information

BOARD OF DIRECTORS

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

REGISTERED OFFICE

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

REGISTRAR & TRANSFER AGENT

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

COMPANY SECRETARY

Ms. Shobha Shetty

AUDITORS

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

CONSORTIUM LENDERS

ICICI Bank Ltd
Bank of India
Canara Bank
Bank of Baroda (including Dena Bank)
IDBI Bank Ltd
Union Bank of India
Corporation Bank
State Bank of India
Axis Bank Ltd
Standard Chartered Bank
Bank of Maharashtra
DBS Bank Ltd
Societe Generale
RBL Bank Ltd
IndusInd Bank Ltd
SREI Equipment Finance Ltd
Export- Import Bank of India
Yes Bank

DEBENTURE TRUSTEES

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

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

Message from the Managing Director

Dear Shareholders,

I am writing to you all shareholders amid the Covid-19 pandemic, which has created unprecedented disruption not only in India but also in the entire world. After the lockdown, the economic activities are being restored slowly in a phased manner. Hopefully, the economy shall be back to normal before the year ends.

We are confident that the present government shall leave no stone unturned to fight the crisis and resolve all issues, whether it is Covid-19 pandemic or border issues with neighbouring countries. The push for being self-reliant or "Atma Nirbhar", brought in by the honourable Prime Minister, Shri Narendra Modi and medium-term strategy of structural reforms along with rehabilitation of MSMEs announced by the Finance Minister may ensure the early revival of the economy with least dependence on other countries.

During these trying times, we are taking sufficient care of all employees and workers associated with the company by maintaining social distancing and following other precautions at project sites to ensure the safety of our people. Most of the office staff are working from home who are physically not required at office/sites. Following lockdown rules and regulations, all meetings are being conducted via video conferences and/or teleconferences to avoid physical contacts.

The overall economic scenario before Covid-19 was driven by the slowdown in private investment and low consumption spending by the public at large leading to a deceleration of the overall GDP growth to 4.2% in FY 20. In FY 21, India's GDP is likely to witness the severest contraction since independence due to Covid-19 related disruption. As both life and livelihood are important, the Government has endeavoured to strike a balance between control of the pandemic and opening up of the economy. The Central Government has announced ₹ 21 trillion package so far, including massive liquidity injection by the RBI. The Atma Nirbhar package has mainly three elements – relief to the downtrodden; rehabilitation of industries, particularly the MSMEs; and structural reforms in multiple sectors to kick-start the economy after the pandemic is brought under control. Deep cuts in the Repo rate by the RBI and large liquidity injection has reduced lending rate for the corporates to a reasonable level. The MSMEs are the biggest beneficiary of the Atma Nirbhar package as they get the credit guarantee form the government besides collateral-free loans and moratorium on the repayment of the loan for six months. Despite the increase in the government's market borrowings, the fiscal position is tight due to likely shortfall in revenue collection and non-materialisation of disinvestment in FY21.

The global scenario is also disappointing. There is a wait and watch situation all over the world which is presently struggling to maintain economic and physical health while fighting the Covid-19 pandemic. Most of the countries, like ours, have come out with stimulus packages to boost their economies. The geopolitical risks remain alive as the US-China trade issues have further worsened in the last year.

A growing economy such as India requires substantial and focused investments in infrastructure that will enable businesses and attract further capital to sustain its economic momentum. India has been counted as the fastest-growing major economies of the world for some time, but the recent slowdown and this year's contraction has cast a shadow on our GDP target of US$ 5 trillion by 2024. The Finance Ministry's Economic Survey of 2019 the government indicated that India needs to spend 7%-8% of its GDP or US$ 200 billion annually on infrastructure to meet its growth targets. The Government plan to invest ₹ 102 trillion in infrastructure projects under the National Infrastructure Pipeline over the next 5 years is the first step towards the above goal. The broad breakup of the same is - Power & Energy ₹ 24.54 trillion; Roads ₹ 19.64 trillion; Urban Infrastructure ₹ 16.29 trillion; Railways ₹ 13.68 trillion; Irrigation ₹ 7.73 trillion; Rural Infrastructure ₹ 7.73 trillion; and balance in social, industrial infrastructure, ports etc. This shall be collectively funded by the Central Government and State Governments to the extent of 79%. The remaining 21% is envisaged to come from the private sector.

The Company is confident that it will obtain sufficient orders over the coming years and increase its activities based on the above-proposed investments. These investments shall improve the economic recovery of the country as well as generate employment. During the year FY 20, the Company received a good number of fresh orders, including the Letter of Allotment (LoA) for civil works of Kiru HE Project for ₹ 22,410 Million, which is a large hydro project in Jammu & Kashmir. The total order book size of the company was ₹ 1,31,846.50 million as on March 31, 2020, which would generate sustained revenues over the next few years.

Covid-19 Impact: Our Company is into the EPC / Construction sector, wherein the Company has to execute work at project sites to generate revenue. All the project sites of the company across the country were shut immediately as per directives of the Central Government from March 25, 2020 to fight against the Covid-19 pandemic. Operations in all projects pan-India were impacted in the latter part of Q4 FY 20 and also in FY 21 till complete lockdown was relaxed. Since June 2020, almost all the sites started operations though at less than full capacity due to a shortage of manpower and disruption in the supply of construction materials. We have made necessary arrangements for the labour force at sites to work with new restrictions like social distancing besides providing additional facilities like food, lodging etc. The company is presently in the process of getting the migrated labourers back at the site as normalcy is begin restored.

Even in such difficult time when the country witnessed a lower GDP growth in FY 20, the performance of the company continued to be stable coupled with a slow but steady growth notwithstanding the Supreme Court's reversal of an arbitration award given by the District Court earlier in favour of the company relating to one of Award.

The performance of FY 20 is as follows:

On a consolidated basis,

- Revenue from operations increased by 10.8% to ₹ 26,172.14 million in FY 20 from ₹ 23,622.05 million in FY 19, reflecting steady growth in the operations of the company.
- Net Profit has decreased from ₹ 1,487.25 million in FY 19 to ₹ 44.46 million in FY20.

On a standalone basis,

- Revenue from operations increased by 12.7% to ₹ 23,330.59 million in FY 20 from ₹ 20,698.90 million in FY 19, reflecting steady growth in the operations of the company.
- Net Profit has declined from ₹ 830.30 million in FY 19 to ₹ 363.40 million in FY20.

The Company has continued to focus on monetization of non-core assets to reduce debt and further increase liquidity. The Company also successfully completed a Rights Issue for ₹ 2,009.97 million during FY 20. As a result, the debt of the company on a standalone basis has declined from ₹ 22,152.70 million in FY 2019 to ₹ 19,037.50 million in FY 20.

Due to the Covid-19 pandemic, the Company is going through one of its toughest years in FY 21. However, various measures undertaken by the government including that of moratorium granted by the RBI in payment of interest and principal dues have enabled the Company to survive during the pandemic. We feel that this time shall also pass and the country shall be back to normal by the year-end, with sentiments improving in the send half of the year.

I assure all shareholders that we shall together be able to overcome even this hurdle, as we have done in the past.

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

Yours truly,

Rupen

Rupen Patel
Chairman & Managing Director

Comparative Consolidated Financials

(₹ in million)

	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011
A. FINANCIAL POSITION										
Share Capital	408.17	164.24	156.99	156.99	76.81	76.81	76.81	69.83	69.83	69.83
Reserves & Surplus	25,061.78	22,602.88	21,441.05	21,231.46	17,049.00	18,850.22	17,851.55	16,205.76	15,497.55	14,739.93
Shareholders Funds	**25,469.95**	**22,767.12**	**21,598.04**	**21,388.45**	**17,125.81**	**18927.03**	**17928.36**	**16,275.59**	**15,567.38**	**14,809.76**
Minority Interest	330.98	565.93	557.45	696.19	1,457.36	1247.37	1,293.29	988.98	834.06	704.27
Deferred Tax Liability (Net)	-	-	-	-	-	139.76	171.54	113.32	216.03	131.95
Loan Funds	22,958.23	26,980.07	29,202.35	50,970.06	54,154.92	51,633.58	44,780.38	34,754.22	28,379.91	24,744.88
Total Funds Employed	**48,759.16**	**50,313.12**	**51,357.84**	**73,054.69**	**72,738.09**	**71,947.74**	**64,173.57**	**52,132.11**	**44,997.38**	**40,390.86**
Fixed Assets (Net)	17,480.77	16,412.38	13,484.16	14,977.11	14,587.57	16,402.35	14,606.70	12,509.61	10,532.09	8,530.20
Investments	1,055.75	1,314.43	1,411.33	1,381.92	1,643.69	1,817.81	1,338.98	1,131.07	985.88	780.35
Deferred Tax Assets (Net)	1,174.94	1,638.67	1,166.05	937.98	301.48	-	-	-	-	-
Net Current Assets & Non Current Assets	29,047.70	30,947.64	35,296.30	55,757.68	56,205.34	53,727.58	48,227.89	38,491.43	33,679.41	30,997.87
Miscellaneous Expenditure (To the extent not written off or adjusted)	-	-	-	-	-	-	-	-	-	82.44
Total Application of Funds	**48,759.16**	**50,313.12**	**51,357.84**	**73,054.69**	**72,738.09**	**71,947.74**	**64,173.57**	**52,132.11**	**44,997.38**	**40,390.86**
B. OPERATING RESULTS										
Income from Operations	26,172.14	23,622.05	22,745.49	38,838.37	40,408.66	34,153.87	37,011.31	41,148.74	35,920.91	34,759.09
Other Income	2,057.29	1,751.00	2,425.95	2,541.16	1,528.39	1,159.22	1,067.37	817.47	910.92	229.75
Total Income	**28,229.43**	**25,373.05**	**25,171.43**	**41,379.52**	**41,937.05**	**35,313.09**	**38,078.68**	**41,966.21**	**36,831.83**	**34,988.84**
Total Expenditure	**27,845.08**	**24,278.17**	**22,874.54**	**41,200.70**	**42,809.05**	**35,149.52**	**37,541.04**	**40,707.37**	**35,532.45**	**33,141.67**
Profit before Tax	384.35	1,094.87	2,296.90	178.82	-872.01	163.57	537.64	1,258.84	1,299.38	1,847.17
Profit after Tax	111.31	1,541.46	1,025.83	-1,035.81	-1,970.29	96.73	247.18	742.30	701.87	1,307.26
Minority Interest and other adjustments	39.30	57.14	66.77	-441.81	-84.77	12.04	83.49	92.27	35.99	81.21
Net Profit	**44.46**	**1,487.25**	**959.07**	**-593.99**	**-1,885.52**	**84.69**	**163.69**	**650.03**	**665.88**	**1,226.05**
C. EQUITY SHARE DATA										
Earning per share (₹)	0.39	9.71	6.67	-9.83	-24.30	1.10	2.15	9.31	9.54	17.56
Number of Shares	408,178,292	164,248,506	156,994,691	156,994,691	76,806,282	76,806,282	76,244,325	69,827,151	69,827,151	69,827,151
Dividend %	-	-	-	-	-	-	-	-	30%	100%

Board's Report

To the Members of Patel Engineering Limited,

The Directors hereby present the 71st Annual Report on the business, operations and state of affairs of the Company together with the audited financial statements for the year ended March 31, 2020:

FINANCIAL HIGHTLIGHTS

Standalone and Consolidated Financial Performance **(₹ in million)**

Particulars	Consolidated		Standalone	
	2019-20	2018-19	2019-20	2018-19
Total Revenue	**28,229.43**	**25,373.05**	**26,825.70**	**23,560.96**
Total Expenses	**24,318.82**	**20,020.85**	**22,318.41**	**17,928.52**
EBITDA	3,910.62	5,352.21	4,507.29	5632.44
Depreciation	661.86	501.95	586.27	409.25
Finance Cost	2,662.69	3,702.67	3309.05	3225.24
Exceptional Item	38.88	(891.52)	-	844.34
Profit before tax	**547.20**	**2,039.10**	**611.97**	**1,153.61**
Tax expenses	234.17	444.95	240.29	324.87
Share in loss in associates	201.72	52.70	-	-
Net Profit after tax	**111.31**	**1,541.46**	**371.68**	**828.74**
Other Comprehensive Income (Net)	(27.55)	2.93	(8.14)	1.52
Total comprehensive income for the year attributable to:	**83.76**	**1,544.39**	**363.53**	**830.26**
Minority Interest	39.30	57.14	-	-
Owners of the Parent	44.46	1,487.25	-	-
Add: Opening Balance in Profit & Loss A/c	6,683.17	5,508.85	7,474.66	6712.06
Appropriations / adjustments	158.84	(312.93)	(223.24)	(67.66)
Surplus carried to the Balance sheet	**6,886.48**	**6,683.17**	**7,614.95**	**7,474.66**
Earnings per equity shares ₹(face value ₹ 1 each)				
- Basic	0.39	8.43	1.30	5.22
- Diluted	0.39	4.58	0.89	2.97

Consolidated:

The Consolidated total income stood at ₹ 28,229.43 million as against ₹ 25,373.05 million for the previous year. The EBITDA was at ₹ 3,910.62 million as against ₹ 5,352.21 million for the previous year. The total comprehensive income is at ₹ 83.76 million as against ₹ 1,544.39 million for the previous year.

Standalone:

On Standalone basis, the total income stood at ₹ 26,825.70 million as against ₹ 23,560.96 million for the previous year. The EBITDA was at ₹ 4,507.29 million as against ₹ 5,632.43 million for the previous year. The total comprehensive income is at ₹ 363.53 million as against ₹ 830.26 million for the previous year.

Reserves

The Company transferred ₹ 172 million to Debenture Redemption Reserves for the Financial year ended March 31, 2020.

Dividend

To conserve funds, the Directors do not recommend payment of dividend for the financial year 2019-20.

Share Capital

During the year under review, the following changes have taken place in the Share Capital:

i. Authorized Share Capital of the Company was partly modified to sub-divide the existing 80 (Eighty) Zero Coupon Optionally Convertible Preference Shares of ₹ 1,00,00,000 (Rupees One Crore Only) each to 80,00,00,000 (Eighty Crore) Zero Coupon Optionally Convertible Preference Shares of ₹ 1 (Rupee One Only) each.

ii. Issue of shares or other convertible securities

Date of Allotment	**October 18, 2019**	**March 21, 2020**	**March 26, 2020**
Method of allotment	**Rights Issue (Equity shares)**	**Preferential Allotment of Optionally Convertible Preference Shares (OCPS)**	**Conversion of Optionally Convertible Preference Shares into Equity Shares**
issue price (in ₹)	9	1	-
conversion price (in ₹)	-	-	18.12
number of shares/OCPS allotted	22,33,29,786	53,99,66,397	2,06,00,000
number of shares/OCPS allotted to the promoter group	20,00,00,000	53,99,66,397*	2,06,00,000

**53,99,66397 were issued to a promoter against their outstanding compensation payable to them as per the books of accounts of the Company. Since the issue was for consideration other than cash, the valuation of asset under consideration was determined on the basis of a valuation report of a registered valuer appointed in terms of the provisions of Companies Act, 2013 and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.*

In March 2020, out of 53,99,66,397 OCPS, 37,32,72,000 OCPS of ₹ 1 each were converted into 2,06,00,000 Equity Shares of Face Value of ₹ 1 at conversion price of ₹ 18.12.

Consequently, as at March 31, 2020, the total paid up share capital of the Company stood at ₹ 57,48,72,689 divided into 40,81,78,292 Equity Shares of ₹ 1 each and 16,66,94,397 OCPS of ₹ 1 each.

In April 2020, the Company converted the balance 16,66,94,397 OCPS into 91,99,470 Equity shares of ₹ 1 each at a conversion price of ₹ 18.12 per share, consequent to which the total paid up capital of the Company stood at ₹ 41,73,77,762.

Information on state of affairs of the Company

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

Material changes and Commitments

The Members may note that there is material changes and commitments between the end of the financial year to which the financial statements relate and the date of this Report. In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. The Board would like to inform the Members that the operations at majority of the Project Sites of the Company was temporarily shut-down on account of COVID-19. Further, the Company has been taking necessary precautionary measures at all its Project sites against the spread of COVID-19 as advised by the Government from time to time. The Company has also followed “Work from Home” policy for its employees. The impact of COVID-19 pandemic is seen in the financial position of first quarter of FY 2020 with revenue dipped to ₹ 2,261.20 million as compared to ₹ 5,598.90 million in previous year’s first quarter. The projects have subsequently commenced operations and the Company is positive to bounce back and meet its goal in a few months time.

The situation is closely monitored and necessary actions as might be required will be taken at any given time/ then prevailing circumstances. In this evolving situation, the overall adverse impact on the operations of the Company is not immediately assessable.

Finance

In total, the Company from time to time has raised money through borrowings (long and short terms, NCDs, OCDs and unsecured loans) and the total amount outstanding on standalone basis as on March 31, 2020 is ₹ 18,688.71 million.

The outstanding OCDs as on March 31, 2020 stood at ₹ 6,067 million which forms part of the above borrowings.

Subsidiaries & Associates

As on March 31, 2020, the Company has 72 subsidiaries including step down subsidiaries.

Highlights of performance of key subsidiaries/Associates

Michigan Engineers Private Limited having presence in urban infrastructure Projects, has an order book totaling to ₹ 8,260.40 million. Majority of the orders are in the segment of Micro tunneling in Mumbai.

Raichur Sholapur Transmission Company Private Limited (RSTCPL) commissioned 765 kV single circuit transmission line between Raichur and Sholapur in July 2014. Project promoted by Company along with Simplex Infrastructure Ltd and BS Ltd. Project achieved transmission line availability of 99.9% in 2014, 99.9% in 2015, 96.8% in 2016 and 99.39% in 2017. Lenders on September 22, 2017 implemented 5/25 scheme as per the RBI guidelines after obtaining approval from Independent Evaluation Committee, with cutoff date on December 30, 2016. The project is currently under operation and the debt obligation is timely serviced by RSTCPL. The Lenders have sanctioned Term Loan to refinance the existing ECB facility, which is under process.

Dirang Energy Private Limited (Dirang), a Special Purpose Company for development of 144 MW Gongri Hydroelectric Power Project in West Kameng district in Arunachal Pradesh. The physical progress of the project is on halt mainly due to delay in obtaining consent from State Pollution Control Board, untimely disbursement by project lenders, untimely infusion of equity, resistance from local community. Dirang and the Company have been in discussion with the lenders for resolution of outstanding debt since past couple of years and has now offered for One Time Settlement (OTS) of outstanding dues to the lenders. Out of four lenders, two lenders have sanctioned for OTS which shall be settled by the Company in lieu of the advance liability payable to Dirang and the other two lenders are in process for considering the OTS offer. The State Government has issued a Termination Notice on 01.03.2018 against which the Company has filed a writ petition for stay of the said notice in Guwahati High Court. The Guwahati High Court has passed a stay order dated 29.06.2018 on the said termination notice and also its consequential effects. The Company has however written off its investment in the project.

The Joint lenders Forum (JLF) had invoked SDR in *Bellona Estate Developers Limited* with reference date October 25, 2015. Pursuant to SDR, the Company allotted equity shares to Lenders to hold 51% stake. The Company was in discussion with interested buyer for sale of Mall on as is where basis. However due to current pandemic of COVID -19 interest of the buyer is subdued.

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

PBSR Developers Private Limited, is developing the project consisting two residential towers (each tower having 20 floors) and one tower of serviced apartments (19 floors). The project offers residential units comprising of 2 BHK (990 sqft), 2.5 BHK (1120 sqft) and 3 BHK (1400 sqft & 1435 sqft). These residential towers have a total of 12 flats per floor whereas the service apartment block comprises of 11 apartments per floor. The construction is substantially completed and internal finishing works are going on and the project is expected to complete in the current financial year.

The Company through a step down subsidiary of its wholly owned subsidiary *Patel Energy Resources Limited* intended to build a thermal coastal power plant project of 1050 MW at Nagapattinam, Tamil Nadu. All the statutory clearances obtained stands elapsed and Consent for

Establishment (CFE) that is mandatory for taking up Project construction works is still pending with Government of Tamil Nadu. Pending this, the Company continue to keep the project on hold.

The Company's Mauritius subsidiary *Les Salines Development Ltd ("LSDL")* had Land lease Agreement with Govt. of Mauritius for a period of 99 years. After termination of the project by the Govt. of Mauritius, the Company has now issued a notice of arbitration to Government of Mauritius through International court of Justice (ICJ). Arbitration tribunal has been formed by ICJ. The first procedural hearing has taken place and a timetable has been set up for the process of arbitration. The Process of submission of statements are going on. Hearing of the matter is scheduled for May 2021.

During the year under review, the Board of Directors formed an Evaluation of Subsidiaries Committee, a Committee of Directors with an object to evaluate the overseas subsidiaries which are non-operative and can be closed down. The Committee was constituted to evaluate the financials of Indian as well foreign subsidiaries and upon evaluation, to decide on continuation /restructuring/discontinuation of these subsidiaries in the best interest of the Company.

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

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

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

Related Party Transactions

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

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

Directors and Key Managerial Personnel

i. Independent Director

- The Board of Directors on recommendation of Nomination and Remuneration Committee and in accordance of the Companies Act, 2013 and SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, re-appointed Ms. Geetha Sitaraman for second term of 2 (two) years at an Extra Ordinary General meeting held on March 20, 2020.
- Mr. S. Jambunathan ceased to be the Independent Director of the Company w.e.f September 20, 2019 due to completion of his second term as an Independent Director.
- Mr. K. Ramasubramanian was appointed as Independent Director of the Company w.e.f September 20, 2019 for the period of five years.

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

ii. Executive Director

The Board of Directors in their meeting dated June 26, 2020 noted resignation of Mr. C.K Singh as Whole Time Director – Operations. Mr. C.K Singh ceased to be Director of the Company w.e.f June 30, 2020. The Board placed on record its appreciation for the valuable contribution and service rendered by him during his tenure as Whole time Director.

iii. Other Directors / Key Managerial Personnel

Mr. Sunil Sapre retires by rotation at the ensuing AGM and being eligible, offer himself for re-appointment.

There is no change in the Key Managerial Personnel (KMPs) during the year under review. Some of the KMPs of the Company are also the KMPs of the subsidiaries.

Number of Board Meetings held during the financial year 2019-20

During the year ended March 31, 2020, the Board met 5 (five) times.

Nomination and Remuneration Policy

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

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

Evaluation of the performance of the Board

Based on Boards' Evaluation Policy, the performance of the Board Directors, its Committees, Chairman, Executive Directors, Independent Directors and Non–executive Directors was 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.

Audit Committee

The Audit Committee presently comprises of:

Mr. Khizer Ahmed (as Chairman)

Mr. K. Ramasubramanian- Independent Director

Mrs. Geetha Sitaraman- Independent Director

Mr. Rupen Patel – Managing Director

Cost Records

The Company has maintained cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, and accordingly such accounts and records have been maintained.

Whistle Blower Policy/Vigil Mechanism

The Company has a Vigil Mechanism Policy for the employee to report genuine concerns/grievances. The Policy is uploaded on the Company's website at the link. http://tinyurl.com/pvenjtk

The policy provides for adequate safeguards against the victimization of the employees who use the vigil mechanism. The vigil mechanism is overseen by the Audit Committee. There are no complaints / grievances received from any Directors or employees 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 it members:

Mr. Rupen Patel	–	Managing Director
Ms. Kavita Shirvaikar	–	Executive Director
Mr. Khizer Ahmed	–	Independent Director

The terms of reference of the CSR Committee include the matters specified in Section 135 of the Act. The CSR Policy of the Company is uploaded on the Company's website at the link http://tinyurl.com/o6yczkx

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.

Auditors

At the 68th Annual General Meeting held on December 30, 2017, the Members had appointed M/s. T. P Ostwal Associates LLP (FRN: 124444W/ W100150) as Auditors of the Company for a term of 5 years to hold office until the conclusion of the 73rd AGM to be held in the year 2022.

Further, In accordance with the provisions of Section 139 and 143(8) of the Companies Act, 2013, at the 68th Annual General Meeting held on December 30, 2017, members had appointed M/s. R. S. Parekh & Co., Chartered Accountants as the Branch Auditor to audit the Realty Division of the Company for a term of 5 years to hold office until the conclusion of the 73rd AGM to be held in the year 2022.

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

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

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

Secretarial Audit

M/s. MMJB & Associates LLP, Company Secretaries were appointed as the Secretarial Auditor to conduct the Secretarial Audit for the financial year ended March 31, 2020. The Report of the Secretarial Auditor is provided as **Annexure IV** to this Report.

The Secretarial Auditor has made an observation that the Company has paid remuneration to its Directors in excess of the limits specified in Section 197 of the Act for the FY 2019-20 as the Company does not have profits in terms of Section 198 of the Act. The shareholders may note that the Company is in the process of complying with the prescribed statutory requirements to regularize such excess payments, including seeking approval of shareholders in the ensuing 71st Annual General Meeting (AGM) of the Company. The Board believes that the remuneration as previously approved by the members of the Company and paid to the Managing Director/Whole time Directors for the FY 2019-20 is justified in terms of their key role within the Company and therefore in the interest of the Company, recommended to the shareholders the waiver of the said remunerations in the ensuing AGM.

Prevention of sexual harassment of Women at workplace

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

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

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

General

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

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

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

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

v) No fraud has been reported by the Auditors to the Audit Committee or the Board.

Annual Return

In accordance with the provisions of the Companies Act, 2013 and the Rules framed thereunder, the Annual return in Form MGT -7 for the year 2019-20 is available on the website of the Company at the link: https://tinyurl.com/y5wzfcm8

Disclosure under Section 197 of the Companies Act, 2013

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

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

Corporate Governance

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

Employee Stock Option / General Benefits Scheme

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

The applicable disclosure under SEBI (share Based employee Benefits) Regulations, 2014 ("the ESOP Regulations") as at March 31, 2020 is uploaded on the Company's website at the link https://tinyurl.com/y3o4xhez

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

Directors' Responsibility Statement

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

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

ii. such accounting policies have been applied consistently and judgments estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company and of the Profit and Loss of the Company for the year ended March 31, 2020;

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

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

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

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

Acknowledgements

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

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

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

Mumbai
August 28, 2020

Annexure I AOC - 1

₹ in Million

Sr. No.	Name of the Companies	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	Zeus Minerals Trading Pvt. Ltd.	INR	0.60	(0.42)	164.22	164.22	-	-	(0.04)	-	(0.04)	NIL	India	0.60	100
2	Patel Concrete & Quarries Pvt. Ltd.	INR	1.00	(0.42)	166.16	166.16	-	-	(0.03)	-	(0.03)	NIL	India	1.00	100
3	Friends Nirman Pvt. Ltd.	INR	0.33	22.07	22.61	22.61	-	-	(0.24)	0.01	(0.25)	NIL	India	0.33	100
4	Energy Design Pvt. Ltd.	INR	0.50	(69.84)	4.83	4.83	-	0.06	(0.10)	-	(0.10)	NIL	India	0.50	100
5	Shreeanant Constructions Private Limited	INR	0.10	(46.72)	68.73	68.73	-	-	(11.24)	-	(11.24)	NIL	India	0.10	100
6	Patel Lands Ltd.	INR	0.50	(0.21)	54.69	54.69	-	-	(0.02)	-	(0.02)	NIL	India	0.50	100
7	Michigan Engineers Pvt. Ltd.	INR	17.36	1,251.92	2,555.63	2,555.63	-	2,092.56	174.67	50.21	124.46	NIL	India	0.89	51
8	Patel Engineering Infrastructure Ltd.	INR	100.00	8.69	721.90	721.90	100.06	-	-	-	-	NIL	India	100.00	100
9	Patel Energy Resources Ltd.	INR	4,128.88	(1,724.77)	7,291.40	7,291.40	4,521.14	348.52	(177.73)	-	(177.73)	NIL	India	4,128.88	100
10	Pandora Infra Pvt. Ltd.	INR	70.00	(2.17)	614.20	614.20	-	-	(0.97)	-	(0.97)	NIL	India	70.00	100
11	Patel Engineers Pvt. Ltd.	INR	91.00	1.55	96.10	96.10	96.02	-	(0.45)	-	(0.45)	NIL	India	91.00	100
12	Patel Patron Pvt. Ltd.	INR	140.70	(1.95)	217.53	217.53	-	-	(0.10)	-	(0.10)	NIL	India	140.70	100
13	Vismaya Constructions Pvt. Ltd.	INR	55.10	(1.22)	128.08	128.08	-	-	(0.07)	-	(0.07)	NIL	India	55.10	100
14	Bhooma Realties Pvt. Ltd.	INR	72.10	51.90	607.18	607.18	-	-	(2.12)	(7.43)	5.31	NIL	India	72.10	100
15	Shashvat Land Projects Pvt. Ltd.	INR	78.80	(1.39)	457.16	457.16	-	-	(0.09)	-	(0.09)	NIL	India	78.80	100
16	Apollo Buildwell Pvt. Ltd.	INR	0.50	(37.50)	139.81	139.81	0.01	-	(0.04)	-	(0.04)	NIL	India	0.50	100
17	Arsen Infra Pvt. Ltd.	INR	0.50	(0.30)	16.97	16.97	-	0.00	(0.10)	-	(0.10)	NIL	India	0.50	100
18	Hera Realcon Pvt. Ltd.	INR	0.50	(1.51)	0.23	0.23	-	-	(0.04)	-	(0.04)	NIL	India	0.50	100
19	Lucina Realtors Pvt. Ltd.	INR	0.50	0.00	0.52	0.52	-	-	(0.05)	-	(0.05)	NIL	India	0.50	100
20	PBSR Developers Pvt. Ltd.	INR	0.10	(59.62)	3,594.23	3,594.23	-	43.86	(14.03)	(56.70)	42.66	NIL	India	0.10	100
21	Patel KNR Infrastructure Limited	INR	370.00	105.93	3,197.15	3,197.15	-	392.15	77.01	17.87	59.14	NIL	India	22.20	60
22	Hampus Infrastructure Limited	INR	0.10	(0.18)	0.07	0.07	-	-	(0.11)	-	(0.11)	Nil	India	0.10	100
23	Waterfront Developers Ltd.	INR	0.16	(306.69)	940.39	940.39	-	0.00	(241.02)	-	(241.02)	NIL	Mauritius	0.16	100
24	Patel Engineering (Singapore) Pte Ltd.*	1 USD= 74.810921 INR	176.93	(959.74)	(207.86)	(207.86)	-	21.43	20.44	-	20.44	NIL	Singapore	176.93	100
25	Patel Engineering (Mauritius) Ltd.*	1 USD= 74.810921 INR	37.41	(20.63)	55.47	55.47	34.79	0.25	(2.74)	-	(2.74)	NIL	Mauritius	37.41	100
26	Patel Engineering Inc.*	1 USD= 74.810921 INR	633.45	(433.15)	210.48	210.48	0.60	-	(4.15)	-	(4.15)	NIL	USA	633.45	100
27	Patel Engineering Lanka (Pvt.) Ltd.*	1 LKR= 0.395489 INR	11.21	27.34	43.72	43.72	4.35	-	(13.85)	-	(13.85)	NIL	Srilanka	11.21	100
SUBSIDIARY OF PATEL ENGINEERS PVT. LTD															
28	Phedra Projects Pvt. Ltd.	INR	27.71	5.50	51.85	51.85	29.18	-	(0.19)	(0.64)	0.45	NIL	India	27.71	100
SUBSIDIARIES OF PATEL ENERGY RESOURCES LTD.															
29	Patel Energy Ltd.	INR	186.45	(20.96)	1,211.23	1,211.23	-	-	-	-	-	NIL	India	186.45	100
30	Patel Energy Operations Pvt. Ltd.	INR	0.73	-	88.62	88.62	-	-	-	-	-	NIL	India	0.73	100
31	Patel Energy Projects Pvt. Ltd.	INR	0.10	-	77.66	77.66	-	-	-	-	-	NIL	India	0.10	100
32	Patel Energy Assignment Pvt. Ltd.	INR	0.10	-	58.81	58.81	-	-	-	-	-	NIL	India	0.10	100
33	PEL Power Ltd.	INR	1,380.81	3.71	3,891.66	3,891.66	-	-	-	-	-	NIL	India	1,380.81	100
34	PEL Port Pvt. Ltd.	INR	89.46	-	91.67	91.67	-	-	-	-	-	NIL	India	89.46	100
35	Patel Thermal Energy Pvt. Ltd.	INR	0.50	-	54.23	54.23	-	-	-	-	-	NIL	India	0.50	100
36	Jayshe Gas Power Pvt. Ltd.	INR	0.10	-	55.71	55.71	-	-	-	-	-	NIL	India	0.10	100
37	Patel Hydro Power Pvt. Ltd.	INR	362.88	(582.30)	980.71	980.71	-	-	-	-	-	NIL	India	362.88	100
38	Naulo Nepal Hydro Electric Pvt. Ltd.	1 NPR = 0.625 INR					-	-	-	-	-	NIL	Nepal		
SUBSIDIARIES OF PATEL HYDRO POWER PVT. LTD.															
39	Dirang Energy Pvt. Ltd.	INR	710.00	1.84	7,208.41	7,208.41	-	-	-	-	-	NIL	India	710.00	100
40	West Kameng Energy Pvt. Ltd.	INR	0.10	-	225.34	225.34	-	-	-	-	-	NIL	India	0.10	100
41	Meyong Hydro Power Pvt. Ltd.	INR	0.73	-	250.19	250.19	-	-	-	-	-	NIL	India	0.73	100
42	Digin Hydro Power Pvt. Ltd.	INR	0.10	-	290.76	290.76	-	-	-	-	-	NIL	India	0.10	100

₹ in Million

Sr. No.	Name of the Companies	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
43	Saskang Rong Energy Pvt. Ltd.	INR	4.78	-	229.79	229.79	-	-	-	-	-	NIL	India	4.78	100
SUBSIDIARY OF WATERFRONT DEVELOPERS LTD															
44	Les Salines Development Ltd.*	INR	0.13	(332.25)	946.32	946.32	0.00	0.48	(229.42)	-	(229.42)	NIL	Mauritius	0.13	100
SUBSIDIARY OF LES SALINES DEVELOPMENT LIMITED															
45	La Bourgade Development Ltd.*	INR	0.00	(2.18)	0.05	0.05	-	-	(0.19)	-	(0.19)	NIL	Mauritius	0.00	100
46	Ville Magnifique Development Ltd.*	INR	0.00	(2.09)	0.00	0.00	-	0.00	(0.35)	-	(0.35)	NIL	Mauritius	0.00	100
47	Sur La Plage Development Ltd.*	INR	0.00	(2.18)	0.00	0.00	-	0.00	(0.19)	-	(0.19)	NIL	Mauritius	0.00	100
SUBSIDIARIES OF PATEL ENGINEERING (SINGAPORE) PTE LTD.															
48	Patel Surya (Singapore) Pte Ltd.*	1 USD= 74.810921 INR	74.81	(316.43)	-	-	-	-	-	-	-	NIL	Singapore	44.89	60
49	Patel Param Energy Pte Ltd.*	1 USD= 74.810921 INR	38.15	(116.83)	6.59	6.59	-	0.44	(0.08)	-	(0.08)	NIL	Singapore	22.89	60
50	Patel Param Natural Resources Pte Ltd.*	1 USD= 74.810921 INR	0.75	(49.30)	-	-	-	0.45	(0.11)	-	(0.11)	NIL	Singapore	0.45	60
51	Patel Param Minerals Pte Ltd.*	1 USD= 74.810921 INR	0.75	(274.63)	-	-	-	0.43	(0.08)	-	(0.08)	NIL	Singapore	0.45	60
52	PT PEL Minerals Resources *	1 USD= 74.810921 INR	12.63	(32.87)	35.35	35.35	25.01	(1.47)	(1.47)	-	(1.47)	NIL	Indonesia	12.63	100
SUBSIDIARY OF PATEL SURYA (SINGAPORE) PTE LTD															
53	PT Surya Geo Minerals *	1 IDR = 0.0045805 INR	25.26	(143.27)	242.94	242.94	-	-	(13.47)	-	(13.47)	NIL	Indonesia	15.16	60
SUBSIDIARY OF PT PEL MINERAL RESOURCES															
54	PT Patel Engineering Indonesia *	1 IDR = 0.0045805 INR	25.26	(12.24)	38.26	38.26	-	-	(3.69)	-	(3.69)	NIL	Indonesia	25.26	100
SUBSIDIARY OF PATEL PARAM MINERALS PTE LTD															
55	PT Patel Surya Minerals *		12.55	(189.04)	202.31	202.31	-	-	(34.74)	-	(34.74)	NIL	Indonesia	7.53	60
SUBSIDIARY OF PATEL PARAM ENERGY PTE LTD															
56	PT Patel Surya Jaya *		12.57	(236.01)	796.20	796.20	-	-	(67.28)	-	(67.28)	NIL	Indonesia	7.54	60
SUBSIDIARY OF PATEL PARAM NATURAL RESOURCES PTE LTD															
57	PT Surpat Geo Minerals *		25.27	(0.46)	25.27	25.27	-	-	(0.01)	-	(0.01)	NIL	Indonesia	15.16	60
SUBSIDIARY OF PATEL ENGINEERING (MAURITIUS) LTD															
58	Patel Mining (Mauritius) Ltd.*		34.79	(222.58)	105.49	105.49	182.55	-	(18.48)	-	(18.48)	NIL	Mauritius	34.79	100
SUBSIDIARY OF PATEL MINING (MAURITIUS) LTD															
59	Accord Mines Venture Lda *	1 MZM = 1.121790 INR	0.03	(14.31)	-	-	-	-	(0.38)	-	(0.38)	NIL	Mozambique	0.03	100
60	Assignment Mozambique Lda *		0.03	(2.59)	11.59	11.59	-	-	(0.41)	-	(0.41)	NIL	Mozambique	0.03	100
61	Chivarro Mines Mozambique Lda *		0.03	(3.48)	-	-	-	-	(0.06)	-	(0.06)	NIL	Mozambique	0.03	100
62	Enrich Mining Vision Lda *		0.03	(23.08)	-	-	-	-	(0.69)	-	(0.69)	NIL	Mozambique	0.03	100
63	Fortune Mines Concession Lda *		0.03	(36.11)	2.56	2.56		-	(0.85)	-	(0.85)	NIL	Mozambique	0.03	100
64	Metalline Mines Works Lda *		0.03	(13.47)	0.07	0.07	-	-	(0.38)	-	(0.38)	NIL	Mozambique	0.03	100
65	Netcore Mining Operations Lda *		0.03	(1.80)	0.25	0.25	-	-	(0.07)	-	(0.07)	NIL	Mozambique	0.03	100
66	Omini Mines Enterprises Lda *		0.03	(2.09)	0.34	0.34	-	-	(0.09)	-	(0.09)	NIL	Mozambique	0.03	100
67	Patel Infrastructure, Lda *		0.03	(15.57)	-	-	-	-	-	-	-	NIL	Mozambique	0.03	100
68	Patel Mining Priviledge, Lda*		0.03	(17.45)	183.95	183.95	-	-	(8.86)	-	(8.86)	NIL	Mozambique	0.03	100
69	Quest Mining Activities, Lda*		0.03	(2.42)	0.00	0.00	-	-	(0.09)	-	(0.09)	NIL	Mozambique	0.03	100
70	Trend Mining Projects Lda*		0.03	(15.66)	-	-	-	-	(0.38)	-	(0.38)	NIL	Mozambique	0.03	100
SUBSIDIARY OF PATEL ENGINEERING INC.															
71	ASI Global LLC*	1 USD= 74.810921 INR									-	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

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

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

PART B: ASSOCIATES AND JOINT VENTURES

₹ in Million

	Associate Company				JOINT VENTURES																		
NAME OF ASSOCIATES AND JOINT VENTURES	Raichur Sholapur Transmission Co. Pvt. Ltd.	ACP Tollways Pvt. Ltd.	Terra Land Developers Ltd.*	PAN Realtors Private Limited	Age Patel JV	Navyouga - Patel- Bhel Consortium	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	PEL Gond JV	PEL Parbati JV	HES Suthaliya JV	NEC PEL JV
1. Latest Audited Balance Sheet Date	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-20	31-Mar-18	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-19	31-Mar-19	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20
2. Date on which the Associate or Joint Venture was associated or acquired	7-Jan-11	5-Dec-11	14-Oct-11	11-Jan-15	31-Mar-16	3-May-08	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.	26,672,000	84,95,040	24,662	52,600	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount of Investment in Associates or Joint Venture (₹ in Millions)	266.72	2654.7	0.25	0.53	0.23	-	100.16	1,033.07	4.79	1.13	1.85	69.85	39.33	109.41	-	-	127.01	-	(0.34)	0.49	(0.02)	(0.01)	-
Extent of Holding (in percentage)	33.34%	32%	49.32%	37.57%	49%	42.23%	10%	60%	52.83%	60%	65%	99.99%	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%	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	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	N.A	N.A	N.A
6. Networth attributable to shareholding as per latest audited Balance Sheet	240.00	1936.3	-	(16.84)	0.23	-	100.16	1,033.07	4.79	1.13	1.85	69.85	39.33	109.41	-	-	127.01	-	(0.34)	0.49	(0.02)	(0.01)	-
7. Profit or Loss for the year: (i+ii)	(0.17)	(33.64)	(0.01)	(374.27)	19.78	-	0.74	19.61	4.78	(0.01)	(0.01)	8.01	20.98	31.72	-	-	(0.01)	14.48	0.74	(0.04)	(0.02)	(0.01)	-
i. Considered in Consolidation		(33.64)	(0.01)	(374.27)	19.78		0.74	19.61	4.78	(0.01)	(0.01)	8.01	20.98	31.72			(0.01)	14.48	0.74	(0.04)	(0.02)	(0.01)	-
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	N.A	N.A	N.A

** ceased to be subsidiary effective from December 27, 2018*

Annexure II – Nomination and Remuneration policy

Objective

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

The key objective of the policy would be:

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

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

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

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

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

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

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

h) To devise a policy on Board diversity;

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

Scope and Applicability

The policy shall apply to

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

b) Key Managerial person;

c) Senior management personnel.

Term/Tenure

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

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

b) **Term for Independent Director**

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

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

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

Evaluation

The Nomination and Remuneration Committee (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 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 NRC committee shall have authority to modify or waive any procedural requirements of this policy.

The policy shall be amended as required from time to time in case of any changes in the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 or/and the Act and the rules made thereunder.

Annexure III - Annual report on Corporate Social Responsibility (CSR) Activities for the financial year 2019-20

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

   CSR Policy is stated herein below:

   Weblink: http://tinyurl.com/o6yczkx

2. The Composition of the CSR Committee:

Name of the Directors	Designation
Mr. Rupen Patel	Chairman & Managing Director
Ms. Kavita Shirvaikar	Whole time Director & CFO
Mr. Khizer Ahmed	Independent director

3. Average net profit of the Company for last three financial years.

   Average Net Profit: ₹ 1,050.39 million

4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)

   The Company is required to spend ₹ 21.01 million

5. Details of CSR spent during the financial year.

   a) Total amount to be spent for the financial year; ₹ 67.97 million (including previous years unspent amounts)

   b) Amount unspent, if any; ₹ 64.70 million

   c) Manner in which the amount spent during the financial year is detailed below.

₹ in million

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs Local area or other Specify the state and district where projects or programs was undertaken	Amount Outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing Agency*
1.	Contribution to Tatpadam Upavam	For construction and development of recreational parks consisting of handicraft shops, meditation and yoga centers, planetarium, amphitheatre, herbal gardens, 4D movie theatre and landscapes and pathways.	Nathdwara, Rajasthan	1,750	14.20	14.20	Through specified Trust

₹ in million

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs Local area or other Specify the state and district where projects or programs was undertaken	Amount Outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing Agency*
2.	Contribution to M.M. Patel Public Charitable Trust, Solapur	500 bedded fully equipped and functional hospital which has all specialty departments like Cardiology, Nephrology, Neurology etc. Conducting free medical check-up camps at various villages. Contribution to this project will reach rural area and help public at large	Solapur, Maharashtra	N A	18.50	18.50	Through specified Trust

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: During FY 2019-20, the Company spent an amount of ₹ 32.7 million from out of the total required spending of ₹ 37.07 million for FY 2019-20 as prescribed in terms of Section 135 of the Companies Act, 2013. The Company could not spend the balance unspent amount of 2019-20 and unspent amount of previous years due to financial constraints.

7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the Company: We hereby declare that the implementation and monitoring of the CSR Policy are in compliance with the CSR Objectives and Policies of the Company.

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

Sd/-
Kavita Shirvaikar
Whole time Director & CFO
DIN: 07737376

Mumbai
August 28, 2020

Annexure IV - Secretarial Audit Report for the financial year ended March 31, 2020

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

To
The Members,
Patel Engineering Limited
Patel Estates V Road
Jogeshwari (West) Mumbai 400102

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

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

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

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable during the audit period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not Applicable during the audit period).

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

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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, except that the Company has paid remuneration to its Directors in excess of the limits specified in Section 197 of the Act for the Financial Year 2019-20 as the Company does not have profits in terms of Section 198 of the Act. The Company has represented to us that it is in the process of complying with the prescribed statutory requirements to regularize such excess payments, including seeking approval of shareholders, as necessary.

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The composition of the Board of Directors during the period under review was in compliance with the provisions of the Act.

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

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

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

We further report that during the audit period;

1. Pursuant to approval of Board of Directors vide resolution dated 5th October, 2017, the Company has issued and allotted 22,33,29,786 Equity shares of ₹ 1 at a price of ₹ 9 per rights Equity share to its existing shareholders on Right Issue basis.

2. The Company has taken approval of shareholder vide Special Resolution passed in Extra Ordinary General Meeting dated 20th March, 2020, for the following transactions;

   - Company has modified Capital Clause of Memorandum of Association by alteration of Authorised Capital by way of sub-division of 80 Zero Coupon Optionally Convertible Preference Shares of ₹ 1,00,00,000 each to 80,00,00,000 Zero Coupon Optionally Convertible Preference Shares of ₹ 1 each.

   - The Company has issued 53,99,66,397 Zero Coupon Optionally Convertible Preference Shares of Re. 1 each fully paid-up, aggregating upto ₹ 53,99,66,397 convertible into Equity Shares of the Company to Praham India LLP.

3. The Company has converted 37,32,72,000 Zero Coupon Optionally Convertible Preference Shares of ₹ 1 each into 2,06,00,000 Equity Shares of FV of ₹ 1 at conversion price of ₹ 18.12 per share to Praham India LLP vide Allotment Committee meeting dated March 26, 2020.

For **MMJB & Associates LLP**
Practicing Company Secretaries

Sd/-
Deepti Joshi
Designated Partner
FCS No. 8167
CP. No. 8968
UDIN: F008167B000629788

Place: Mumbai
Date: August 28, 2020

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

'Annexure A'

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

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

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

For **MMJB & Associates LLP**
Practicing Company Secretaries

Sd/-
Deepti Joshi
Designated Partner
FCS No. 8167
CP. No. 8968
UDIN: F008167B000629788

Place: Mumbai
Date: August 28, 2020

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

Information as per Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 for the financial year ended March 31, 2020.

(A) Conservation of Energy

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

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

(B) Technology Absorption

Efforts made towards technology absorption during last three years.

i. Research and Development (R&D)

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

- The construction methods have been continuously revised keeping abreast with state-of-art technology through New Austrian Tunneling Method (NATM).

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

ii. Benefits derived from technology absorption

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

iii. Technology absorption

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

(C) Foreign exchange earnings and outgo

Foreign Exchange Earnings and Outgo during the year under review were ₹ 3,517.45 million (previous year ₹ 4,133.26 million) and ₹ 2,787.11 million (previous year ₹ 3,428.95 million) respectively.

Annexure VI- Particulars of Employees

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

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

Sr. No.	Disclosure Requirement	Disclosure details		
1	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.	**Directors**	**Title**	**Ratio**
		Mr. Rupen Patel	Managing Director	43.42
		Mr. C. K. Singh	Whole Time Director	18.93
		Mr. Sunil Sapre	Whole Time Director	24.70
		Ms. Kavita Shirvaikar	Whole Time Director & CFO	19.63
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	0.00
		Mr. C. K. Singh	Whole Time Director	0.00
		Mr. Sunil Sapre	Whole Time Director	72.99
		Ms. Kavita Shirvaikar	Whole Time Director & CFO	0.00
		Ms. Shobha Shetty	Company Secretary	0.00
3	Percentage increase in the median remuneration of employees in the financial year.	0 %		
4	Number of permanent employees on the rolls of the Company at the end of the year.	1,743 as on March 31, 2020		
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 2019-20 over 2018-19 is -7.71%, the corresponding average remuneration increase for other employee's is 0% The negative figure in Directors remuneration is due to the withdrawal of incentive scheme which was applicable in year 2018-19. Due to the prevailing economic condition of the Country and subsequent effect on the Construction industry in general and the Company in particular there was no increments for both employees as well as Directors except one Director which was done for the following reasons: i) The increased work load can necessitate the increase in his remuneration. ii) It is also to maintain parity within the industry standards.		
6	Affirmations that the remuneration is as per the Remuneration Policy of the Company.	It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company.		

Management Discussion and Analysis

Indian Macroeconomic Scenario

India, which was among the fastest-growing major economies in the world over the past several years, witnessed a lack-lustre performance in FY 20 with the GDP growth at 4.2% - the lowest since 2008-09 due to weak global demand, slowdown of local spending by public and stagnation in the private investment. To overcome the same, the Government proactively undertook various reform measures like reduction in corporate tax rates, merger of various banks in the public sector into four larger ones, credit guarantee to banks for purchase of assets of certain NBFCs, recapitalization of public sector banks and revised Priority Sector Lending (PSL) norms for export, MSME etc.

According to the Economic Survey of 2019, India needs to spend 7% - 8% of its GDP or US$ 200 billion annually on infrastructure to achieve its growth targets. The Government plan to invest ₹ 102 lakh crore in infrastructure projects under National Infrastructure Pipeline over the next 5 years is the first step towards the above goal. The broad breakup of the same is – Power & Energy: ₹ 24.54 lakh crore; Roads: ₹ 19.64 lakh crore; Urban Infrastructure: ₹ 16.29 lakh crore; Railways: ₹ 13.68 lakh crore; Irrigation: ₹ 7.73 lakh crore; Rural Infrastructure: ₹ 7.73 lakh crore and balance in social, industrial infrastructure, ports etc. This shall be collectively funded by the Central Government and State Governments to the extent of 79%. The remaining 21% is envisaged to come from the private sector. These initiatives by the government are expected to improve public spending, which would help revive the economy in the medium-term.

The Covid-19 pandemic has worsened the prospect of growth, both in India and abroad, at least for FY 21. It is likely to take quite some time for the Indian economy to be fully stress-free and revive growth to its potential. The Government has announced *Atma Nirbhar* package of ₹ 21 trillion, including massive injection of liquidity by the RBI to ease liquidity besides providing several reliefs to industries. Infrastructure and MSME sectors, particularly in the rural areas, will get maximum benefit from these packages. Covid-19 related lockdowns and uncertainty in economic activity may lead to India's GDP contracting in FY 2020-21 significantly. The impacts around the globe are similar and various countries have implemented stimulus measures to ease liquidity in the respective economies, additional spending on health measures and support to people to cover their daily essential needs. Sustained efforts by the Governments, focused on these measures, may reduce the economic impact of the Coronavirus.

The Company has taken several measures to mitigate the crisis, which includes conserving of working capital through redesigning execution based on available resources, cash flow planning, availing of additional advances / release of retention money from client by submitting bank guarantees and prioritising execution of projects at the most optimum level possible given the constraints of availability of manpower & other resources, ensuring safety of its staff and labourers working at various project sites, reducing overheads at all operating levels, continuous dialogues with clients to appraise them of the situation at sites etc.

Infrastructure Sector Outlook in India

Infrastructure sector plays a key role in India's overall development process. Therefore, government gives intense focus to this sector by initiating policies that would ensure time-bound creation of world class infrastructure in the country. Infrastructure sector includes power, bridges, dams, roads and urban infrastructure development. India was ranked 44th out of 167 countries in World Bank's Logistics Performance Index (LPI) in 2018. As regards Agility Emerging Markets Logistics Index, India ranked second in the 2019.

Foreign Direct Investment (FDI) in Construction sector (townships, housing, built-up infrastructure and development projects) stood at US$ 25.66 billion during April 2000 to March 2020, according to Department for Promotion of Industry and Internal Trade (DPIIT). The logistics sector in India is growing at a CAGR of 10.5 per cent annually and is expected to reach US$ 215 billion in 2020.

India requires investment worth ₹ 50 trillion (US$ 777.73 billion) in infrastructure by 2022 to have sustainable development in the country. India is witnessing significant interest from international investors in the infrastructure space. Some of the key investments made in the sector are listed below:

- Large investment in infrastructure has seen momentum as overall PE (private equity)/VC (venture capital) investment touched an all-time high of US$ 14.5 billion in 2019.
- The largest deal was done by Abu Dhabi Investment Authority, Public Sector Pension Investment Board and National Investment and Infrastructure Fund as they made investment worth US$ 1.1 billion in an airport development company.

- As on 31 March, 2019 26.02 million households got electricity connection under the Saubhagya Scheme.
- In 2019, infrastructure sector witnessed seven merger and acquisition (M&A) deals worth US$ 1,461 million.
- The largest PE investment witnessed was the acquisition of Pipeline Infrastructure India by Canadian asset management firm Brookfield for US$ 1.9 billion in Q1 2019.

Government Initiatives & Accomplishments:

The Government of India is expected to invest large amount in the infrastructure sector, mainly on highways, renewable energy, and urban transport.

- In April 2020, the Government set a target of constructing roads worth ₹ 15 lakh crore (US$ 212.80 billion) in the next two years.
- In May 2020, Border Roads Organization (BRO) achieved major milestone by digging up a 440-metre long tunnel below the busy Chamba town on Rishikesh-Dharasu road Highway (NH 94).
- In June 2020, National Highway Authority of India (NHAI) became fully digital with the launch of unique cloud based and Artificial Intelligence powered Big Data Analytics platform – Data Lake and Project Management Software.
- Indian energy sector is expected to offer investment opportunities worth US$ 300 billion over the next 10 years.
- NHAI will be able to generate revenue of ₹ one lakh crore (US$ 14.31 billion) from toll and wayside amenities over the next five years.
- In the Union Budget 2020-21, the Government has given a massive push to the infrastructure sector by allocating ₹ 1,69,637 crore (US$ 24.27 billion) to develop the transport infrastructure.
- Indian Railways has received an allocation of ₹ 72,216 crore (US$ 10.33 billion) under Union Budget 2020-21.
- In March 2020, NHAI accomplished the highest ever highway construction of 3,979 km of national highways.
- India's rank jumped to 22 in 2019 from 137 in 2014 on World Bank's ease of doing business.
- Energy deficit is reduced to 0.7 per cent in FY 20 from 4.2 per cent in FY 14.

Road Ahead

The infrastructure sector has become the biggest focus area for the Government of India. India plans to spend US$ 1.4 trillion on infrastructure during 2019-23 to have a sustainable development of the economy. The Government has suggested investment of ₹ 5,000,000 crore (US$ 750 billion) for railways infrastructure between 2018 and 2030.

India and Japan have joined hands for infrastructure development in India's Northeastern states and are also setting up an India-Japan Coordination Forum for Development of Northeast to undertake strategic infrastructure projects for the region.

Power Sector

India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste. Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. In order to meet the increasing demand for electricity in the country, massive addition to the installed generating capacity is required.

In May 2018, India ranked fourth in the Asia-Pacific region out of 25 nations on an index that measured their overall power. India was ranked fourth in wind power, fifth in solar power and fifth in renewable power installed capacity as of 2018. India ranked sixth in the list of countries to make significant investments in clean energy at US$ 90 billion. Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing at both the market and supply sides (fuel, logistics, finances, and manpower).

By 2022, wind energy is estimated to contribute 60 Gigawatt (GW), solar power at 100 GW, and biomass and hydropower at 15 GW. The target for renewable energy has been increased to 175 GW by 2022. Total installed capacity of power stations in India stood at 370.34 GW as of April 2020. Electricity production reached 1,252.61 billion units (BU) in FY 20. The Union Government is preparing a 'rent a roof' policy for supporting its target of generating 40 gigawatts (GW) of power through solar rooftop projects by 2022.

Some major investments and developments in the Indian power sector are as follows:

In March 2020, the Central Government signed virtual agreement to conclude strategic sales in Kamarajar Port Ltd., THDC India Ltd., and North Eastern Electric Power Corporation Limited (NEEPCO), and it will receive ₹ 13,500 crore (US$ 1.93 billion) from these deals.

In December 2019, NTPC announced investment of ₹ 50,000 crore (US$ 7.26 billion) to add 10 GW solar energy capacity by 2022.

The Union Budget 2020-21 has allocated ₹ 15,875 crore (US$ 2.27 billion) to the Ministry of Power and ₹ 5,500 crore (US$ 786.95 million) to Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY). Further, Government plans to establish renewable energy capacity of 500 GW by 2030. Pradhan Mantri Sahaj Bijli Har Ghar Yojana- Saubhagya was launched by Government of India with an aim to achieve universal household electrification.

In April 2020, NTPC Vindhyachal became the largest power plant in the country to achieve a plant load factor (PLF) of 100 per cent.

India's rank jumped to 22 in 2019 from 137 in 2014 on World Bank's Ease of doing business -

On the irrigation and water front, various states have increased their spending like - Telangana, Andhra Pradesh, Karnataka, Gujarat, Haryana, Madhya Pradesh and Odisha.

Urban Infrastructure, which is the key focus of the current Government, played a key role over the years and is likely to continue in future with implementation of Smart Cities, Water Infrastructure, Housing for All under Pradhan Mantri Awas Yojana.

Road Sector

Highway construction in India increased at a CAGR of 21.44% between FY 16 and FY 19. In FY 19, 10,855 km of highways were constructed. The Government of India aims to construct 65,000 km of national highways at a cost of ₹ 5.35 lakh crore (US$ 741.51 billion) by 2022.

- The Government will use plastic waste for the construction of roads. One of the roads has been recently constructed with plastic waste near Dhaula Kuan (New Delhi), while there are plans to construct Delhi-Meerut Expressway and Gurugram-Sohna road.
- The Government of India has set a target for construction of 12,000 km of national highway in FY 20. During April-September 2019, a total length of 4,622 km of national highways were constructed.
- The Ministry of Road Transport & Highways is expected to award road projects with a total length of around 4,500 km worth ₹ 50,000 crore (US$ 7.15 billion) in 2020.
- To widen and revamp 1.25-lakh km of roads, Government of India has approved the launch of Phase-III of its rural road programme popularly known as Pradhan Mantri Gram Sadak Yojana (PMGSY). PMGSY-III is envisaged to upgrade 1,25,000 kms of road length over the next five years at an estimated cost of ₹ 80,250 crore (US$11.48 billion).
- Under the Union Budget 2020-21, the Government has allocated ₹ 91,823 crore (US$ 13.14 billion) under the Ministry of Road Transport and Highways.
- Under the Union Budget 2020-21, 30,000 km of PMGSY roads have been built using Green Technology, Waste Plastic and Cold Mix Technology, thereby reducing carbon footprint.

As on December 2019, 824 projects were recommended for development by the Public Private Partnership Appraisal Committee (PPPAC). A total of 65,000 km of roads and highways are to be constructed under Bharatmala Pariyojana. In the month of December 2018, the Ministry of Road Transport and Highways (MoRTH) touched a record 31.87 km per day average of national highway construction.

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

Company Update

Engineering and Construction:

We intend to leverage our experience in the hydro-power projects, irrigation and urban infrastructure segments to bid for projects in which the Government is investing funds. Our Company will continue to focus on its core business segments: hydro power, irrigation and urban infrastructure.

Currently, our construction business undertakes:

- Hydro-power projects including dams, tunnels, power-houses and barrages;
- Irrigation and water supply projects including dams, weirs and pump houses;
- Urban infrastructure projects & others including sewerage, microtunnelling and horizontal directional drilling and pipelines; and
- Transportation projects including roads, bridges, flyovers and tunnels for railways.

During the year, the company (including in joint venture) has received -

a) LOA of ₹ 22,402.70 million for Civil Works For Construction of Diversion Tunnel, Concrete Gravity Dam, Intake, Pressure Shafts, Underground Power House and Tail Race Tunnel of KIRU HEP, in J&K, awarded by Chenab Valley Power Projects (P) Limited, a SPV formed by NHPC & JKSPDC.

b) LOA of ₹ 4,281.30 million for Construction of Tunnel T-7 with an Underground Station Cavern, in Shivok (West Bengal) Rangpo (Sikkim).

c) Construction of Morand & Ganjal Dams with Pressurized pipe micro irrigation system for irrigation 48874 ha (ica) upto 2.5 ha.chak on “Turnkey Basis”, Madhya Pradesh, for ₹ 17,535 million (our share 45%)

d) Construction of Khalwa micro Lift irrigation Scheme on Turnkey Basis”, for irrigation in 35000 ha. Upto 2.5 ka chak, Madhya Pradesh, for ₹ 6,780 million (our share 45%).

e) Suthaliya Irrigation Project, Madhya Pradesh, ₹ 7,880 million (our share 45%).

f) Parbati Irrigation Project, Madhya Pradesh, ₹ 6,300 million. (our share 52%).

g) WAPCOS – Barauni, Bihar, ₹ 732 million.

h) Improvement of Road from Shrirampur - Pausad - Vaijapur- Risod - Washim- Mahgoan - Mandvi Road, Maharashtra, ₹ 1,209.7 million.

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

Power, Dams and Tunnel –

a) Construction of Penstock & Power House Package for Tapovan Vishnugad H.E. Project - (520 MW), Uttarakhand.

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

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

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

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

f) Ganol H.E Project, Meghalaya.

g) Arun – 3 HEP Project, Nepal.

h) Kundah Package I&II, Tamilnadu.

Irrigation –

a) Sleemanabad Carrier Canal, Madhya Pradesh.

b) Modernisation of Krishna Delta and its distributaries –

   i) Modernisation - Godavari Delta system - Central Delta - Gannavaram Canal and its distributary system.

   ii) Bantumilli Canal from Km 58.105 to Km 100.383, Polaraj canal from Km 58.105 to 75.320 and Camp Bell Canal Km 58.105 to Km 68.687 on EPC Turnkey System.

   iii) Gudivada Channel from Km 0.00 to Km 39.937 and its distributaries System on EPC Turnkey system.

   iv) Polarj Canal from Km 75.320 to Km 100.361 & Camp Bell Canal from Km 68.687 to Km 96.289 and its distributory System on EPC Turnkey System.

v) Modernisation of Prakasam Barrage.

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

d) Jigaon Lift Irrigation, Maharashtra.

e) Lower Ganaga Canal Works, Uttar Pradesh.

Urban Infrastructure & Roads –

a) 4 Laning of Sangrur-Punjab / Haryana Border, Punjab for a length of 30 km.

b) Shimoga – Shikaripura – Anandpuram Road Project, Karnataka for a length of 82 km.

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

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

e) Katraj Kondwa Road Project, Maharashtra.

f) Motihari Road Project, Bihar.

g) Upgradation of Pimpla Junction, Maharashtra.

h) RVNL Project, Chattisgarh.

i) Nalla Development (PMC) Project, Pune, Maharahstra.

j) Integrated Toursit Facility at Jammu & Kashmir.

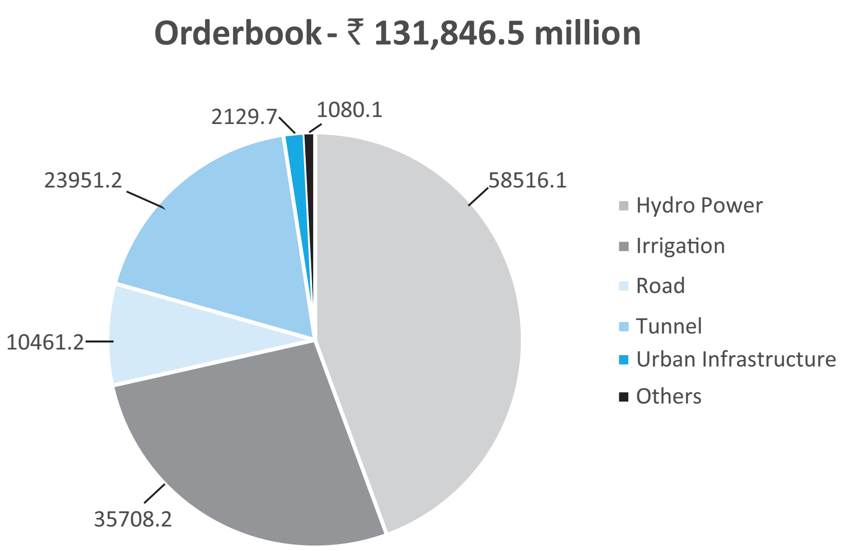
k) Upgradation of existing Highway of 2 Lane / 4 Lane, Omerga - Ausa, Maharashtra.

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

Company Analysis

Our Company has all necessary capabilities & resources to tap the upcoming opportunities in the sector and move forward and grow despite the complexities and other external factors involved. The company continues to focus on core E&C business and take selective projects which are self-sustainable and undertake all required steps to sell other non-core assets while maintaining the equilibrium of growing the order book and execution and completion of existing projects with the limited available working capital. With the given constraints of slowdown in execution due to Covid-19 lockdowns, the company feels it's a temporary phase, and the projects shall be back at execution at full swing post monsoon season.

The Order book of the company as on March 31, 2020 - ₹ 131,846.5 million, out of which sectoral break up is as follows Hydro Power – 44%, Tunnels – 18%, Irrigation – 27%, Urban Infra – 2%, Roads – 8% and Others – 1%.



The performance of FY 20 is as follows:

On a consolidated basis,

- Revenue from operations increased by 10.8% to ₹ 26,172.1 million in FY 20 from ₹ 23,622.1 million in FY 19, reflecting steady growth in the operations of the company, although the same was impacted due to rejection of an arbitration award received in its favour by the Supreme Court of India even though the same was upheld by the District Court, leading to its reversal.
- Accordingly, Net Profit has decreased from ₹ 1487.25 million in FY 19 to ₹ 44.46 million in FY 20.

On a standalone basis,

- Revenue from operations increased by 12.7% to ₹ 23,330.6 million in FY 20 from ₹ 20,698.9 million in FY 19, reflecting steady growth in the operations of the company.
- Net Profit has decreased from ₹ 830.3 million in FY 19 to ₹ 363.4 million in FY20.
- The company has continued to focus on monetization of non-core assets to reduce debt and further increase liquidity for the company. The company also successfully completed a Rights Issue for ₹ 2010 million during FY 20. As a result, the Standalone debt of the company ₹ 22,152.7 million to ₹ 19,037.5 million in FY 20.
- Due to Covid-19 pandemic, the company is going through one of its toughest year in FY 21. However, with various measures undertaken by government including that of RBI to give moratorium in payment of interest and principal dues has enabled the Company to survive during such times. We feel that this time shall also pass and the country shall be back at old pace very soon, with sentiments starting to improve with news of vaccines coming around.
- The company has been able to ramp up its orderbook to ₹ 131,846.5 million as on March 31, 2020 although several banks have just moved out of prompt corrective action (PCA) norms, have been undergoing mergers and hence the decision making process among lenders was slow and availability of additional non-fund based limits is being restricted to some extent.
- The credit rating of the company continues to be in investment grade with stable outlook, which is expected to improve further with

better performance. The company has also been able to expand its foot print in international geographies.

- The other initiatives taken by the government has started showing results. The company has received another round of funds against arbitration awards by submission of bank guarantees under NITI Aayog initiatives post March 31, 2020 and expects to receive more funds going forward, which shall reduce the debt burden of the company further.

Further, the company will continue to focus on realizing arbitration award monies to reduce the fund based debt further and shall also continuously look to monetize its other non-core assets, being real estate and ownership assets. In parallel, the company expects to grow its order book steadily as envisaged earlier.

The interest costs have reduced significantly in last 2 years compared to earlier years, and we expect to reduce it further by reduction in debt, although we shall keep taking advances from client, which are paid out of collections from the projects, hence, no additional cashflow burden on the company, and are self-sufficient projects and with least amount of additional working capital fund based facilities from lenders. Our Company focuses on bidding for projects with reputed clients with well-funded projects. This results in efficient working capital management.

We intend to continue bidding for projects that are funded by either multilateral agencies like the Japanese Bank for International Co-operation, the World Bank and the Asian Development Bank or by central or state governments. The advantage of bidding for projects that have guaranteed funding by the multilateral agencies is that these agencies regularly monitor the progress of the projects and ensure timely completion and payment to the contractors. In addition, since these segments are critical for the growth of the economy and are of strong socio-political importance, their funding is generally provided for by budgetary allocations of central or state governments. This typically results in a lower default risk. We intend to bid for future projects taking into consideration the reputation of the client or its funding partner.

Asset Ownership:

Hydro Power Projects – The company had started construction of one of the hydropower projects i.e. Gongri H.E. Project in the previous year. The project is stalled due to the current focus of the company on E&C business. The company is in process of settlement of the debt of the lenders for this project.

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

Road BOT – The two annuity road BOT projects, i.e. KNT – 1 & AP – 7 are in operation and maintenance stage and in which we are in process of identifying buyers to sell our stake. The construction of the toll BOT Project i.e. construction of four-lane highway project in Varanasi-Shaktinagar Road is completed and toll collection has also started.

Transmission Asset –The Project – Raichur Sholapur Transmission Co. Ltd. is an SPV in JV with Simplex and BS Limited where we have 33.34% stake. The company is in process of conversion of ECB loan to a rupee term loan.

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

Real Estate:

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

The Company plans to monetize these land parcels either on a Joint Development Agreement (JDA) basis or by way of outright sale. The company is under discussion to hive off the mall asset in Electronic City and in final stages of development of its project Smondo, in Gachibowli, Hyderabad.

Internal Control System

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

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

Management Systems

Patel's prime focus lies on performance improvement around major parameters like resource utilization, quality management, safety controls, environment protection, HR development, design engineering, etc. Timely achievement of the tasks with all round effectiveness is the main motto of Patel for its customers.

Integrated Management System (IMS) based on standards stipulated by ISO 9001:2015 for Quality, ISO 14001:2015 for Environment and OHSAS 18001:2007 for Health and Safety is judiciously managed and maintained by the Company covering all corners of activities. The key objective is to promote the improvement of the quality of the constructed facility to reduce the environmental pollution, occupational accidents and professional diseases. For this we conduct safety & environment training programs periodically on all work fronts. Our efforts have been proven at Tuirial Hydro Electric Project (60 Mw), Mizoram, where our client NEEPCO has appreciated our efforts for achieving 3 million safe man-hours. We also have achieved 5 million safe man-hours at Udhampur-Srinagar Railway line Project (T2), Jammu.

We strongly believe in delivering quality work to our customers and thus have well defined procedures for various functions. Periodical audits bring out shortcomings those are taken care of in management review meetings. Thus, Company has build a strong system in and around the periphery of the organization.

Information Technology

In 2019, we again made good progress. We initiated the second phase of digital transformation. The investments we made in the planning, designing of our digital architecture, and implementing the network across the country in the first phase created the foundation on which our team members could work from home overnight with zero downtime. This was a good litmus test for us to realize that we were leading the company's digital journey on the right path. The pandemic has accelerated the pace of digitization, virtualization, tech adoption, collaborative working and of course technology innovation across the businesses to ensure the continuity of business including working from anywhere securely. The IT team is transforming from being just tech professionals to being business drivers and not just enablers.

The Company is building the world of tomorrow. The adoption of collaboration tools has positively nudged every employee and stake holder to adopt technology rapidly and be more receptive to a digital mindset, this has helped to speed up our efforts in our 'Journey to the Cloud'. It has helped us leverage emerging technologies to accelerate our efforts in creating a digital ecosystem on the production front including sensor controlled Internet of Things (IoT) technology that provide data on our project sites directly from our equipment's itself leading to accurate measurement capability and real time information that helps the team members make intelligent decisions quickly that directly affect performance thus impacting the bottom line. We have invested in faster and intelligent computing appliances and networks this year to enable adaptability and agility with autonomous work spaces, seamless connectivity, to work from anywhere and on any device, extend our existing platforms to collect large amounts of data, to develop new industry standards, and optimize construction processes using Artificial Intelligence (AI).

Digitalization will enable us to increase safety, boost efficiency, cut costs, and minimize risks. In this second phase of transformation we are back on the drawing board with the behavioral and cultural learnings that this pandemic has revealed to us. New technologies are increasingly available at an affordable costs, making new ways of working possible with increasing efficiency and cut costs. Digital services are disrupting traditional processes. Our plan is to digitalize our HRMS system, enhance our supply chain with the latest in GPRS and RFID technology, introduce touch screens that allow project teams to collaborate with colleagues, authorities, designers, solving problems together in order to improve project delivery. The Company is working with industry experts to actively drive digitization in its core activities to continuously increase its efficiency, raise execution quality, and improve project controlling.

Human Resources

The Company wants to be acknowledged as the most preferred employer in the industry, offering a work place that is safe, dynamic, and creative, with dedicated team members that thrive in an open and high performing environment with strong values of Integrity, Accountability, and Delivery.

The company is built on a solid foundation with clear values fostering a diverse and inclusive culture to achieve stronger performance together. We continue to progress positively in attracting, developing and retaining talented people. Employees are given opportunities to undertake new, challenging assignments in different functions, business units and geographies. In our company inclusion is based on openness, fairness, trust and respect and means that all employees have the same opportunity to contribute to their work, feel a sense of belonging, and have equal career opportunities.

In 2019, we initiated the effort to replace physical documents to digital to save paper. In this year, we are extending the companies digitization efforts to go paperless in our complete hire-to-retire process. We run a large operation and we are a very labor intensive industry; we get queries from various teams. We are looking at how we can respond better by channelizing and simplifying the processes for our team members digitally drive that interaction, collaboration, knowledge management and training. The entire process is being designed with Empathy and Compassion at the core for Employee Satisfaction.

Intent, Attitude, with the Right Skills are a recipe for success. Our employees build the world of tomorrow. We have introduced a number of employee engagement programs that contribute to driving up a more bottom up culture leading to encouraging Continuous Improvement where every team member is involved to see where they can improve their processes. The goal is to embed this into our culture in the effort to encourage each employee to drive lean waves in supporting further gains in operational efficiency while providing better solutions. The lean culture is our foundation, it stretches the creativity in each employee to learn to be resilient, persevere and grow.

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."

BUSINESS RESPONSIBILITY REPORT (BRR)

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: **L99999MH1949PLC007039**
2. Name of the Company: **Patel Engineering Limited**
3. Registered address: **Patel Estate Road, Jogeshwari (W), Mumbai- 400102**
4. Website: **www.pateleng.com**
5. Email id: **headoffice@pateleng.com**
6. Financial Year reported: **1st April 2019 – 31st March 2020**
7. Sector(s) that the Company is engaged in (industrial activity code-wise): The Company is engaged in business of Engineering, Procurement and Construction EPC segment

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

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

   Engineering and Construction Activities, Real Estate.

9. Total number of locations where business activity is undertaken by the Company

   (i) Number of International Locations (provide details of major 5) – Company's Projects at Nepal are at various stages of operations (excluding international subsidiaries in various countries – US, Singapore, Indonesia, Mauritius and Mozambique which are presently not operational)

   (ii) Number of National Locations – Presently the Company executes various projects across 16 States in India.

10. Markets served by Company - Local / State / National / International: The Company executes across various States in India and in Nepal (outside India).

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR): 408.2 million
2. Total Turnover (INR): 23330.6 million
3. Total Profit after taxes (INR): 371.6 million
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax(%): As stipulated under Section 135 of the Companies Act, 2013, 2% of the average net profit of the last three years are provided for CSR activities.
5. List of activities in which expenditure in 4 above has been incurred: Please refer to Annexure III of Board's Report.

SECTION C: OTHER DETAILS

1. **Does Company have Subsidiary Company/Companies?** Yes
2. **Do the Subsidiary Company/Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):** No
3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:** Not Applicable.

SECTION D: BR INFORMATION

1. Details of Director / Director responsible for BR

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

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

b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	NA
2	Name	Mr. Rajendra Chopde
3	Designation	Sr. Vice President (Projects)
4	Telephone number	+91 22 26767500
5	e-mail id	headoffice@pateleng.com

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

Name of the principles:

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

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

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

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

P5 – Businesses should respect and promote human rights

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

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

P8 – Businesses should support inclusive growth and equitable development

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

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

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/ policies for.....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/international standards? If yes, specify? (50words)	Yes. The Policies are in confirmation with the international standards of ISO 9001, ISO 14001, OHSAS 18001 and ILO Principles.								
4.	Has the policy being approved by the Board? Yes, signed by Managing Director	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	https://tinyurl.com/y2e7pkwc								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8.	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes, Internal Audits and IMS Audit								

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

3. Governance related BR

a	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually	Annually
b	Does the Company publish a BR or a Sustainability Report	No
c	What is the hyperlink for viewing this report?	https://tinyurl.com/y2e7pkwc
d	How frequently it is published?	Annually

SECTION E: PRINCIPLE- WISE PERFORMANCE

	Principle 1	
1.	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?	Yes The Policy covers the group companies, including the company, subsidiaries and JVs controlled by us.
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	NIL
	Principle 2	
1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	1) Construction 2)Engineering Designs 3)Infrastructure Development Activities
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Steps taken during Engineering Design: **Raw Material Optimum use:** a) Tailor made Plates of required size are procured in order to reduce the wastage b) Coupler use for saving in Reinforcement Bar to avoid over lapping c) Cut and Bend Rebar use to avoid materials Wastage d) Use of Silo for storage of cement instead of bags to zero wastage and pollution free **Energy Conservation:** a) Usage of Load sharing System in DG Sets b) Usage of APFC – Automatic Power Factor System in Grid Power and DG Sets c) Usage of Variable Frequency Drive (VFD) starting systems for Ventilation Fans & EOT/ Gantry Crane d) Use of Efficient Motors in Gantry Cranes e) Usage of Suitable size of Pipelines and long Radius Bend in Pumps f) Usage of Common Substation g) Maintain healthy Voltage level **Water Conservation: -** At Project site, IMS procedure for 4R (Reduce, Reuse, Recycle & Recharge) is followed. Sedimentation tanks are provided at batching plant .Sewerage treatment plant and waste water treatment plants also provided. PEL is not into business manufacturing goods or consumable products.

3.	Does the company have procedures in place for sustainable sourcing (including transportation)?	Yes
	(a) If yes, what percentage of your inputs was sourced sustainably?	75%
4.	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	Yes, Apart from 75% of major raw materials, remaining items like Aggregates, Sand etc. are procured locally which impacts the local market in positive way.
	(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Entire groceries & foods articles are procure locally for staff & worker colony. At Project sites, steps are undertaken to award small/ petty Contracts to locals pertaining to Job Work, Equipment (including vehicle) supply, Supplies of man powers etc. thereby building the Capacity at the Local Level
5.	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).	Yes, Recycling the product is not applicable as consumable goods and the associated packaging materials is not manufacture by us. Hazardous waste is recycled disposed as per statutory provisions. Used Oil being disposed through authorised recycler and Batteries are being sent back to suppliers under buy back option only. Scrap and general recyclable materials are disposed through authorised vendors for recycling. Re-treaded Tyres has been used. 5-10%.

	Principle 3	
1.	Please indicate the Total number of employees	1,743 heads
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	1,217 heads
3.	Please indicate the Number of permanent women employees.	43 heads
4.	Please indicate the Number of permanent employees with disabilities	4 heads
5.	Do you have an employee association that is recognized by management	No
6.	What percentage of your permanent employees is members of this recognized employee association?	NA
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Nil
8.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	20%
	(a) Permanent Employees	25%
	(b) Permanent Women Employees	Nil
	(c) Casual/Temporary/Contractual Employees	10%
	(d) Employees with Disabilities	Nil
		Steps are being taken to impart Safety Awareness Training Programme periodically to all our employees of the Company

	Principle 4	
1.	Has the company mapped its internal and external stakeholders? Yes/No	Yes
2.	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stake holders?	Yes
3.	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	We consider our responsibility towards all stakeholders. We strive and value to all stakeholders. We map both internal & external stakeholders along with vulnerable, marginalized and disadvantaged stakeholders. This large and mixed community has varied expectations, as we engage with all such stakeholders (shareholders, employees, clients, lenders, vendors, subcontractors, government, communities, society at large) at multiple points as and when required through meetings, reports, interactions, feedbacks, regulatory filings etc.

	Principle 5	
1.	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?	It covers the entire group under our control.
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	NIL

	Principle 6	
1.	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/others.	It covers the entire group under our control.
2.	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	No
3.	Does the company identify and assess potential environmental risks? Y/N	Yes
4.	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	We have Environment Risk Assessment procedure to analyse all the risks relevant to the activities carried to construct a project.
5.	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	No
6.	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes, as per stipulated norms
7.	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Nil

	Principle 7	
1.	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	a) Central Board of Irrigation and Power b) EEPC India c) Federation of India Export Organisation d) FICCI Ladies Organisation e) Construction Federation of India f) International Market Assessment India Pvt Ltd
2.	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes. Energy & Water

	Principle 8	
1.	Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes, the Company has adopted CSR Policy pursuant to Section 135 / Schedule VII of the Companies Act, 2013. The details of the CSR project undertaken by the Company is provided in the Annexure III of the Boards' report.
2.	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?	Through external NGOs/any other organisation.
3.	Have you done any impact assessment of your initiative?	No
4.	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken	₹ 32.7 million Refer to Annexure III of Board's Report
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	Yes

	Principle 9	
1.	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	Not applicable in E&C business.
2.	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks(additional information)	Not applicable
3.	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No
4.	Did your company carry out any consumer survey/ consumer satisfaction trends?	Not applicable

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 believed that good governance provides appropriate frame work for the Board, its Committee and Management to carry out its objectives and balance the interest of all stockholders and satisfy the tests of accountability, transparency and fair play. The Company gives high priority to core value and ethics and believes that all its operations and actions must be directed towards overall shareholder's value.

(2) Board of Directors

- The composition of the Board of Directors of the Company comprises of Executive and Non-Executive Directors. As on March 31, 2020, the Board comprise of 8 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 year 2019-20 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, 2020 are as under:

Name and DIN of the Directors	Category of Director	No. of Board Meetings		Attendance at the last AGM held on September 20, 2019	No. of directorships in other Companies	Name of other listed entities where directorship held	* Committee Position	
		Held	Attended				Chairman	Member
Mr. Rupen Patel Chairman & Managing Director (DIN 00029583)	Executive (Promoter)	5	4	Yes	8	Nil	Nil	Nil
Mr. Khizer Ahmed (DIN 00032567)	Independent non-executive	5	5	Yes	Nil	Nil	Nil	Nil
**Mr. K. Ramasubramanian (DIN 01623890)	Independent non-executive	3	3	Yes	2	Nil	Nil	Nil
Ms. Geetha Sitaraman (DIN 07138206)	Independent non-executive	5	5	Yes	Nil	Nil	Nil	Nil
Mr. C. K. Singh (DIN 00196978)	Executive	5	4	No	3	Nil	Nil	Nil
Ms. Kavita Shirvaikar (DIN: 07737376)	Executive	5	5	Yes	4	Nil	Nil	Nil
Mr.Sunil Sapre (DIN: 05356483)	Executive	5	3	Yes	7	Nil	Nil	Nil
Mr. Barendra Kumar Bhoi (DIN: 08197173)	Independent non-executive	5	5	Yes	1	Nil	Nil	Nil

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

*** Mr. K. Ramasubramanian was appointment as an Independent Director of the Company effective from September 20, 2019.*

Mr. Jamabunathan ceased to be Independent Director of the Company on account of completion of his tenure as Independent Director effective from September 20, 2019

- The Board met 5 times during the financial year 2019-20 i.e. on April 30, 2019; August 14, 2019; November 14, 2019; December 20, 2019 and February 10, 2020.

- None of the non- executive directors hold any convertible instruments. Number of Equity shares held by non- executive directors is given below:

Sr. No.	Name of Non-Executive Director	Shareholding as on March 31, 2020 (no. of shares)
1.	Mr. Khizer Ahmed	51,500
2.	Mr. K. Ramasubramanian	856
3.	Mr. Barendra Kumar Bhoi	Nil
4.	Ms. Geetha Sitaraman	Nil

- 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/y5vdrd2l

- Board Skill Matrix :The matrix setting out the skills / expertise / competence of the Board of Directors is given below:

Competency	Details
Industry Knowledge	Demonstrate sound knowledge & possess thorough working experience of the construction industry in which the organization operates in. Knowledge in the relevant laws, rules, regulation policies applicable to the organisation/ industry/ sector and level/ status of compliances thereof by the organisation, the structures and systems which enable the organisation to effectively identify, asses and manage risks and crises. Benchmark global practices
Functional Expertise	As a specialist - obtain, analyse, interpret and use data/information effectively to develop plans and take appropriate decisions wrt: interpret financial statements and accounts in order to assess the financial health of an organisation build operational excellence by constantly focussing on upgrading methods, technology, citosts, 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 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
Behavioural Competencies	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. Impeccable Integrity and ethical standards Has Team building & Interpersonal relations & Influencing capabilities. Show resilience and courage, Creativity & Innovation Strong in social competencies & Networking

Strategic Orientation	Identify and seize opportunities for short & long term business growth, bring in new insights & innovative ways to build robust execution plans for implementing Vision and value creation, seize opportunities for short/long term business growth scan the environment & bring in newer insights to further PEL value proposition. Identify potential problems, challenges & constraints & evaluate methods to minimize Build executable action plans to successfully implement the strategy Practice & encourage innovative & out of box ways to build in robustness in execution
Leadership	Solid managerial and leadership experience including in the areas of strategic planning, mergers & acquisition, financial planning, investment and also the ability for People development & mentoring. Team building Decision making Maintain strict Business ethics, ethical policies, codes and practices of the organization

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

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

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

(3) Audit Committee

(a) Terms of Reference:

- To oversee of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- To recommend the appointment, remuneration and terms of appointment of Statutory auditors of the Company;
- To approve the payment to statutory auditors for any other services rendered by the statutory auditors;
- To review and monitor the auditor's independence, performance and effectiveness of audit process;
- To review with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- To review with the management, the annual financial statements and auditor's report thereon before submission to the board for approval.
- To review with the management, the quarterly financial statements before submission to the Board for approval;

- To review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice, and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter; This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company, if any;
- To review the Management letters / letters of internal control weaknesses issued by the statutory auditors;
- To approve the related party transactions or any subsequent modification of such transactions;
- To scrutinize the inter-corporate loans and investments;
- To scrutinize valuation of undertakings or assets of the Company, wherever it is necessary;
- To evaluate internal financial controls and risk management systems;
- To oversee the functioning of the Vigil mechanism (Whistle Blower Policy) and provide direct access to directors and employees to report their genuine concern and grievances to the Audit Committee chairperson under vigil mechanism;
- To discuss with internal auditors of any significant findings and follow up there on;
- To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To seek information from any employee and to obtain legal and professional advice as and when necessary;
- To discuss the scope of internal audit with internal auditors. To formulate the scope, functioning, periodicity and methodology for conducting internal audit in consultation with the internal auditor;
- To call for comments from the internal auditors about internal control systems, scope of audit including the observations of the auditors;
- To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To approve the appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- To review the appointment, removal and terms of remuneration of the Chief internal auditor.
- To review the utilization of loans and/ or advances from/ investment by the Company in its subsidiary(ies) exceeding rupees 100 crore or 10% of the asset size of the respective subsidiary(ies), whichever is lower including existing loans/ advances/ investments.
- To investigate into any of the matters specified above or any matters referred by the Board

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

Composition and Name of members	Number of meetings during the year 2019-20	
	Held	**Attended**
Mr. Khizer Ahmed, Chairman	4	4
Mr. Rupen Patel	4	3
Mr. S. Jambunathan@	2	1
Ms. Geetha Sitaraman	4	4
Mr. K. Ramasubramanian*	2	2

@Mr. S. Jambunathan ceased to be Independent Director wef September 20, 2019

**Mr. K Ramasubramanian is inducted as a member of Committee on October 31, 2019.*

Mr. Khizer Ahmed, the Chairman of the Committee, was present at the last Annual General Meeting (AGM) held on September 20, 2019.

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

(c) Audit Committee meetings during the year

The Audit Committee met 4 times during the year 2019-20 i.e. on: April 30, 2019; August 14, 2019; November 14, 2019; February 10, 2020. The necessary quorum was present for all the meetings of the Committee.

(4) Nomination and Remuneration Committee:

(a) *Terms of Reference:*

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

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

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

@Mr. S. Jambunathan ceased to be Independent Director wef September 20, 2019

** Mr. K Ramasubramanian is inducted as a member of Committee on October 31, 2019.*

(c) Nomination and Remuneration Committee Meetings during the year

The Nomination and Remuneration Committee met thrice during the year 2019-20 i.e. on August 14, 2019, November 14, 2019 and February 10, 2020. The necessary quorum was present for the meetings of the Committee.

Mr. Khizer Ahmed, the Chairman of the Committee, was present at the last Annual General Meeting (AGM) held on September 20, 2019.

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

(d) **Board Evaluation:** A Board evaluation policy (the policy) has been framed for evaluating the performance of the Board as a whole, the Chairman, Managing Director, Executive Directors, Independent Directors and the Non- Executive Directors. Based on the same, the performance evaluation was carried out for the financial year ended March 31, 2020.

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/yyyando8

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

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

(₹ in millions)

Name	Sitting fees
Mr. Khizer Ahmed	0.550
Mr. S. Jambunathan@	0.125
Mr. K. Ramasubramanian*	0.300
Ms. Geetha Sitaraman	0.525
Mr. Barendra Kumar Bhoi	0.250

@Mr. S. Jambunathan ceased to be Independent Director w.e.f. September 20, 2019

** Mr. K. Ramasubramaniam appointed as Independent Director w.e.f. September 20, 2019*

(c) Executive Directors

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

(₹ in millions)

	Mr. Rupen Patel, Chairman & Managing Director	Mr. C. K. Singh, Executive Director	Ms. Kavita Shirvaikar, Executive Director	Mr. Sunil Sapre, Executive Director
Salary	25.34	13.22	13.71	17.26
Perquisites	5.06	0.04	0.04	0.04
Total (Gross Salary)	30.40	13.26	13.75	17.30
Service Contracts	01-04-2019 to 31-03-2024	30-05-2019 to 29-05-2024	01-04-2017 to 31-03-2022	01-04-2017 to 31-03-2022
Notice period	3 months	3 months	3 months	3 months
ESOP Option exercised @ ₹ 1 (No. of Shares)	-	25,000	25,000	-

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

The shareholding of the Directors in the Company as on March 31, 2020 is as under:

Name	Number of equity shares	% of the paid up capital
Mr. Rupen Patel	3,46,85,933	8.49
Mr. Khizer Ahmed	51,500	0.01
Mr. K Ramasubramanian	856	Negligible
Ms. Geetha Sitaraman	-	-
Mr. C. K. Singh	60,480	0.01
Ms. Kavita Shirvaikar	1,17,120	0.02
Mr. Sunil Sapre	-	-
Mr. Barendra Kumar Bhoi	-	-

(6) Stakeholders' Relationship Committee:

(a) name of non-executive director heading the committee: Mr. Khizer Ahmed

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

(c) number of shareholders' complaints received so far : Based on the report received from Link Intime India Private Limited, the Registrar & Share Transfer Agent, the Company has not received any complaints during the year ended March 31, 2020 and thus as on March 31, 2020 there were no pending requests /complaints.

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

(e) number of pending complaints - Nil

(7) General Body meetings

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

Financial Year	Date	Time	Venue
2016-17	December 30, 2017	11:00 am	Shree Saurashtra Patel Samaj, Patel Estate Road, Jogeshwari (W), Mumbai – 400 102
2017-18	September 27, 2018	11.00 am	Shree Saurashtra Patel Samaj, Patel Estate Road, Jogeshwari (W), Mumbai – 400 102
2018-19	September 20, 2019	11.30 am	Shree Saurashtra Patel Samaj, Patel Estate Road, Jogeshwari (W), Mumbai – 400 102

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

i. AGM on December 30, 2017

- Appointment of Mr. Sunil Sapre as Whole time Director
- Appointment of Ms. Kavita Shirvaikar as Whole time Director
- Variation in terms of appointment of Mr.Rupen Patel, Managing Director
- Variation in terms of appointment of Mr. Chittranjan Kumar Singh, Whole time Director
- Holding of office or place of Profit by Mr. Pravin Patel

ii. AGM on September 27, 2018

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

iii. AGM on September 20, 2019

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

(c) No special resolution was passed during the year 2019-20 through postal ballot. Resolution, if any, to be passed through Postal Ballot during the current financial year will be taken up as and when necessary.

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

(8) 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 quarterly financial results are published in Financial Express in English Language and in Navshakti in Marathi Language except for Quarter and Year ended March 31, 2020 which was not published in terms of SEBI's exemption provided to listed companies on account of COVID-19 pandemic situation.

(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 is 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.

(9) General Shareholder information

(a) Annual general meeting – date, time **:** Monday, September 28, 2020 at 11.30 am through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM").

(b) Financial year : April 1, 2019 to March 31, 2020

(c) dividend payment date; NA

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

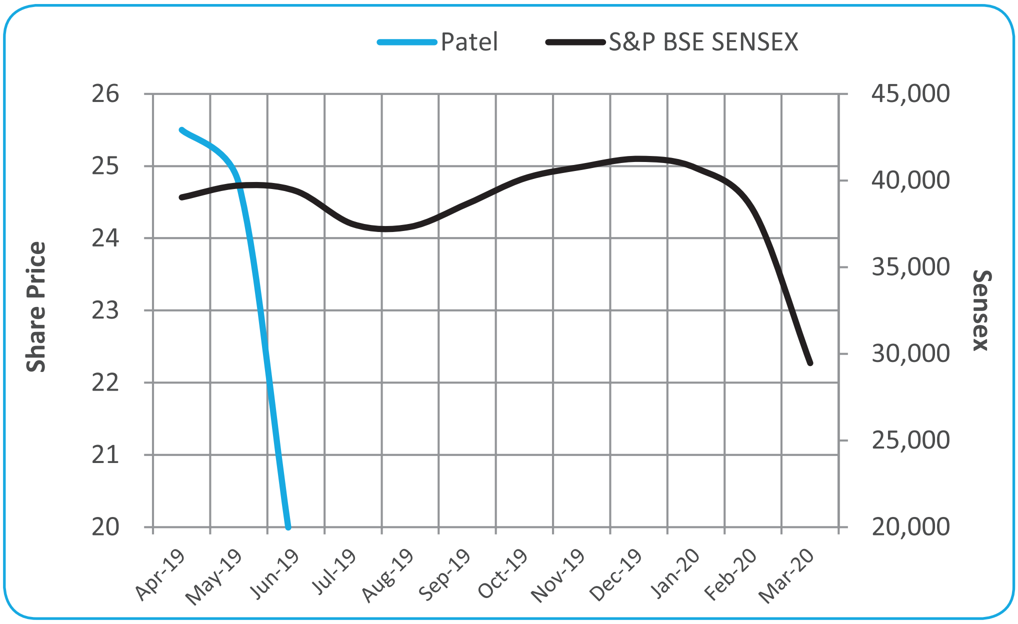
Name of the Stock Exchange	Address of the Stock Exchange	Stock codes (Equity Shares) : Trading Symbol
BSE Limited (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	531120
National Stock Exchange of India Limited (NSE)	Exchange Plaza, C-1, Block G, BandraKurla Complex, Bandra (E) Mumbai – 400 051	PATELENG

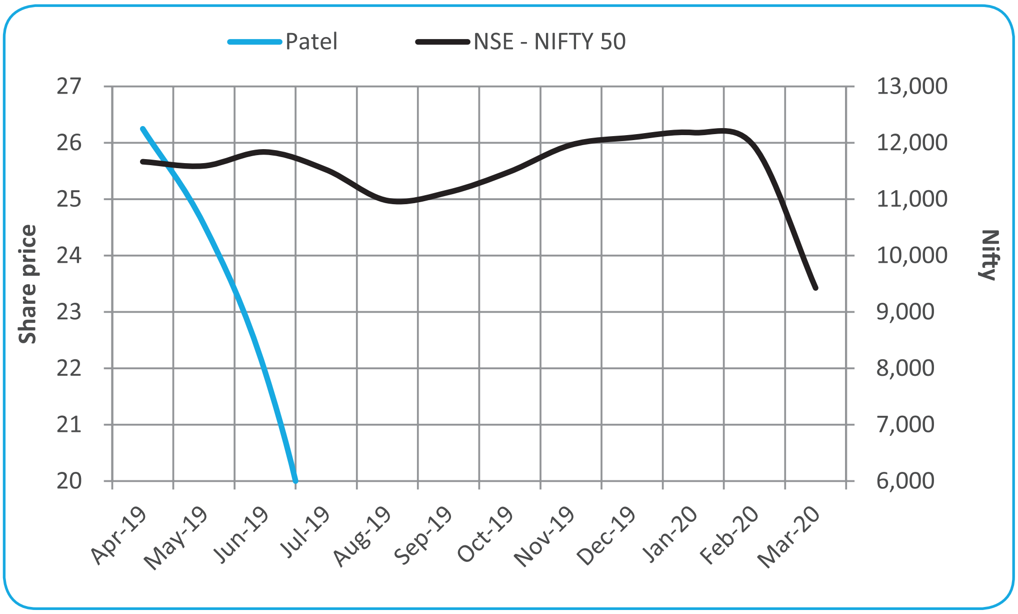
The Company confirms payment of annual listing fees to these Stock Exchanges for the financial year 2020-21.

(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 2019-2020 on BSE and NSE are under :

Month	BSE			NSE		
	High (₹)	Low (₹)	Total No. of Shares Traded	High (₹)	Low (₹)	Total No. of Shares Traded
Apr-19	28.90	25.05	3,94,255	28.65	24.80	25,51,888
May-19	28.40	21.75	4,39,002	28.50	21.60	29,63,433
Jun-19	28.45	17.30	5,68,561	28.70	17.10	35,35,481
Jul-19	19.85	13.00	3,26,057	20.00	12.90	16,50,828
Aug-19	14.34	9.50	14,34,431	14.45	9.45	65,71,352
Sep-19	15.31	9.60	9,73,949	15.20	9.60	40,78,772
Oct-19	14.75	9.33	14,27,656	14.60	9.30	45,48,566
Nov-19	18.76	13.19	17,03,094	18.50	13.15	50,43,130
Dec-19	15.73	12.83	7,58,156	15.80	12.90	56,87,737
Jan-20	21.90	14.05	14,28,093	22.00	13.60	115,40,483
Feb-20	21.00	14.40	8,60,121	21.00	14.30	58,75,556
Mar-20	16.15	8.10	7,20,450	16.25	7.80	44,44,587

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





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

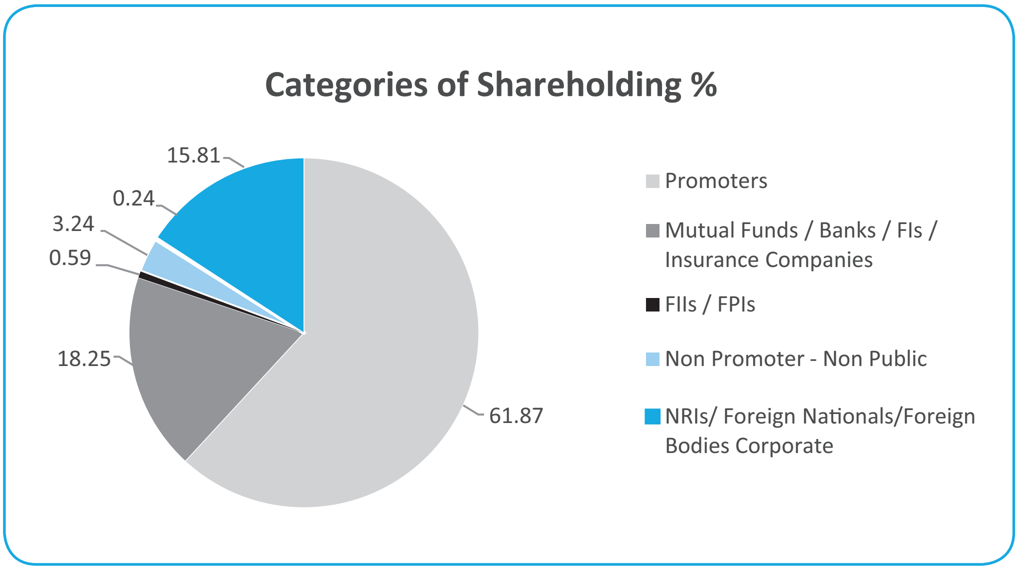
(h) **Share Transfer System:** The Company's shares are compulsorily traded in demat mode on BSE and NSE. As regards transfer of shares in physical form, the same is normally processed within 15 days by the Registrar from the date of receipt if the documents are complete in all respects. Ms. Shobha Shetty,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

(i) **Distribution of shareholding as on March 31, 2020:**

No. of shares	No. of Shareholders	% of Shareholders	Number of Shares held	% to Shares held
1-500	47,596	82.29	55,98,705	1.37
501-1000	4,403	7.61	36,17,857	0.88
1001-2000	2,693	4.66	41,69,415	1.02
2001-3000	1,001	1.73	25,91,426	0.63
3001-4000	467	0.80	16,92,279	0.41
4001-5000	403	0.69	19,12,552	0.46
5001-10000	597	1.03	44,34,294	1.08
Above 10000	677	1.17	38,41,61,764	94.11
Grand Total	**57,837**	**100.00**	**40,81,78,292**	**100.00**

Shareholding Pattern as on March 31, 2020

Category	No. of shares	% of Total Holding
Promoters	25,25,43,639	61.87
Mutual Funds / Banks / FIs / Insurance Companies	74,48,61,78	18.25
FIIs / FPIs	24,02,022	0.59
NRIs/ Foreign Nationals/Foreign Bodies Corporate	9,72,184	0.24
Public & others	6,45,41,554	15.81
Non Promoter - Non Public	1,32,32,715	3.24
GRAND TOTAL	**4,08,178,292**	**100.00**



(j) Dematerialization of shares and liquidity:

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity shares representing 99.87% of the Company's share capital are dematerialized as on March 31, 2020.

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.

On March 20, 2020, Company had issued 53,99,66,397 Optionally Convertible Preference Shares (OCPS), 37,32,72,000 OCPS were converted into 2,06,00,000 Equity shares on March 26, 2020 and 16,66,94,397 OCPS were converted into 91,99,470 Equity Shares on April 23, 2020.

(l) commodity price risk or foreign exchange risk and hedging activities; Price Escalation of most of the materials are passed on to the clients based on contract conditions hence the company doesn't undertake any hedging activities for the same.

As regard other foreign currency liabilities are concern, the company decides to undertake hedging after considering amount involved, period and market conditions. Further, the Company has not obtained any foreign currency loans except Foreign currency loan obtained by Raichur Sholapur Transmission Company Pvt Ltd, a SPV wherein company owns 33.34%. The said loan is in the process of conversion to a Rupee term loan. Hence the Company is not exposed to any such risks.

(m) plant locations: Not applicable

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

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

The Company Secretary
Patel Engineering Limited
Patel Estate Road, Jogeshwari (West),
Mumbai – 400 102.
Tel: +91 22 26767500 / 501
Fax: +91 22 26782455/ 26781505
E-mail: investors@pateleng.com

(o) credit ratings :

i) Infomerics Valuation and Rating Pvt. Ltd. has assigned the ratings of IVR BBB / Positive Outlook (IVR Triple B with Positive Outlook) to the long term Bank facilities and IVR A3+ (IVR A Three Plus) to the short term bank facilities of the Company.

ii) Acute Ratings & Research Limited has upgraded the rating as follows:

Type of Credit Rating	Earlier Rating	Revised Rating	Outlook
Long Term Rating (Cash Credit, Term Loan, Working capital Term Loan)	ACUITE BBB-	ACUITE BBB	Stable
Short Term Rating (Letter of Credit / Bank Guarantee)	ACUITE A3	ACUITE A3+	Not applicable

(p) Details of shares lying in the suspense account (pursuant to Regulation 34 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.

(10) Other Disclosures:

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

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

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

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

(e) The related party policy web link: http://tinyurl.com/nrqnhhs

(f) During the year ended March 31, 2020 a total fees for all services paid by Company on a consolidated basis to the statutory auditor of the Company is ₹ 62,80,000. No service has been provided by M/s. T. P. Ostwal& Associates LLP, the statutory auditor of the Company in any of Company's subsidiary/associate/joint venture. Hence no fees has been paid from any such subsidiary/associate/joint venture to the statutory auditor.

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

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

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

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

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

In accordance with Listing Regulations, I hereby declare that for the financial year ended March 31, 2020 the members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Board of Directors and Senior Management.

On behalf of the Board of Directors,
Patel Engineering Ltd

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

August 28, 2020
Mumbai

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

To
The Members of Patel Engineering Limited,

1. The Corporate Governance Report prepared by Patel Engineering Limited ("the Company"), contains details as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 2020. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

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

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

Auditor's Responsibility

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

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

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

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

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

Opinion

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2020, referred to in paragraph 1 above.

Other matters and Restriction on Use

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

11. This Report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its

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

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

Sd/-
Anil A. Mehta
(Partner)
Membership number: 030529
UDIN: 20030529AAAAJR1021

Mumbai
August 28, 2020

Independent Auditors' Report

To the Members of Patel Engineering Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Patel Engineering Limited which includes joint operations ("hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including other comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information, (hereinafter referred to as "the Consolidated Financial Statements"). These also include financials of the Real Estate Division Branch of the company for the year ended on that date audited by the branch auditor of the Company's branch located at Mumbai.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associates, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, and its associates as at March 31, 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to

1. The Independent Branch Auditors of, Patel Engineering Ltd (Real Estate Division), have without qualifying their audit report on the Standalone Financial Statement for the year ended March 31, 2020, have drawn attention in respect to Company's investment and loans and advances in Waterfront Developers Limited, where notice dated June 04, 2015 was received from Government of Mauritius for the termination of Lease Agreement entered on December 11, 2009 with Les Salines Development Limited (a step down subsidiary of Waterfront). In this case the process of Arbitration has been initiated with the Government of Mauritius.

   Our opinion is not modified with respect to this matter.

2. The Consolidated Financial Statements of the Company for the year ended March 31, 2020 include the financial statements of the subsidiaries Apollo Buildwell Pvt Ltd and Hera Realcon Pvt. Ltd., wherein their auditors, without qualifying their opinion have drawn attention with respect to material uncertainty that exist which may cast significant doubt on the respective company's ability to continue as going concern. However, the financial statements of these subsidiaries are prepared on going concern basis.

   Our opinion is not modified with respect to this matter.

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response

1	**Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers"**
	
	The application of the revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, the revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.
	
	Refer Notes 1.j and 25 to the 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.

Sr. No.	Key Audit Matter	Auditor's Response
2	**Accounting of contract work-in-progress for engineering construction projects** The company recognized contract revenue and contract costs from contract work-in-progress for engineering construction projects by reference to the stage of completion of the contract activity at the end of each reporting period. The stage of completion is measured by reference to work performed. The accounting for such engineering construction projects is complex due to high level of estimation in determining the costs to complete. This is due to the nature of the operations, which may be impacted by the technological complexity of projects, the precision of cost estimation during the budgeting process and the actual progress of each project during the financial year. Accordingly, the accounting of contract work-in progress for engineering construction projects is identified as a key audit matter. Refer Notes 1.i and 10 to the Consolidated Financial Statements.	**Principal Audit Procedures** Our audit procedures included the following: • Review of contract terms and conditions and the contractual sums and substantiated project revenues and costs incurred against underlying supporting documents. • Perused customers and subcontractor correspondences and discussed the progress of the projects with project managers for any potential disputes, variation order claims, known technical issues or significant events that could impact the estimated contractual costs. • Analyzed changes in estimates of costs from prior periods and assessed the consistency of these changes with progress of the projects during the year.
3	**Valuation of Claims under settlement** The Company has certain significant open legal proceedings under arbitration for various complex matters with the Clients and other parties, continuing from earlier years, which are as under: • Non acceptance of certain work by the client. • Cost overrun in certain contracts. • Reimbursement of the cost incurred by the company for the client. Due to complexity involved in these litigation matters, the recognition of claims / variations are included in revenues when it is highly probable of recovery based on estimate and assessment of each item by the management based on their experience of recovery Refer Notes 1.r, 45 and 47 to the Consolidated Financial Statements	**Principal Audit Procedures** Our audit procedures included the following: • Assessing the procedures implemented by the Company to identify and gather the risks it is exposed to. • Obtaining an understanding of the risk analyses performed by the Company, with the relating supporting documentation, and studying written statements from internal and external legal experts, where applicable. • Discussion with the management on the development in these litigations during the year ended March 31, 2020. Obtaining representation letter from the management on the assessment of these matters as per SA 580 (revised) – Written representations.
4	**IT Systems and control over financial reporting** We identified IT systems and controls over financial reporting as a key audit matter for the Company because its financial accounting and reporting systems are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations and IT application controls are required to be designed and to operate effectively to ensure accurate financial reporting.	**Principal Audit Procedures** Our procedures included to the following: • Assessment of the complexity of the environment through discussion with the head of IT. • Assessment of the design and evaluation of the operating effectiveness of general IT controls over program development and changes, access to programs and data and IT operations. • Assessment of the design and evaluation of the operating effectiveness of IT application controls in the key processes impacting financial reporting of the Company.

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

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

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

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

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

Management's Responsibility for the Consolidated Financial Statements

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group 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 to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statement of such entities included in the Consolidated Financial Statements of which we are the independent auditor.

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

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

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

Other Matters

1. Due to the COVID-19 related lock-down, we were unable to participate in the physical verification of inventory that was carried out by the management subsequent to the year end. As informed to us that management has conducted physical verification of high value inventory. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence – Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these Consolidated Financial Statements.
2. We did not audit the financial statements and other financial information in respect of:
   i. the real estate division whose financial statements reflect total assets of ₹ 4600.20 million as at March 31, 2020 and the total revenue of the ₹ 6.10 million for the year ended March 31, 2020,
   ii. 16 joint operations, whose financial results reflect total assets of ₹ 7,332.00 million as at March 31, 2020, Group's Share in Total revenue after elimination of ₹ 4,841.10 million, Total profit (net) after tax of ₹176.20 million and total comprehensive income (net) of ₹ 176.20 million for the year ended March 31, 2020,
   iii. 22 subsidiaries, whose financial statements reflect net total assets of ₹ 6,825.50 million as at March 31, 2020, total revenues of ₹ 2,841.50 million, total net loss after tax of ₹ 243.40 million and net cash outflows amounting to ₹ 495.00 million for the year ended March 31, 2020.

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

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

   i. 1 unincorporated joint operation whose financial results reflect total assets of ₹ 19.40 million as at March 31, 2020, Group's Share in Total revenue after elimination of inter-company revenue, is ₹ Nil, Total Profit (net) after tax of ₹ Nil and total comprehensive income (net) of ₹ Nil for the year ended March 31, 2020,

   ii. 4 subsidiaries, whose financial statements reflect net total assets of ₹ 646.50 million as at March 31, 2020, total revenues of ₹ Nil, total net loss after tax of ₹ 56.30 million and net cash outflows amounting to ₹ 10.50 million for the year ended March 31, 2020,

   iii. 4 associates, whose financial statements/financial information reflect Groups share of net loss of after tax of ₹ 201.70 million for the year ended March 31, 2020.

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors who are appointed under section 139 of the Act, of its subsidiaries and associates, none of the directors of the Group's companies and its associates, incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

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

g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, associates and joint ventures, incorporated in India, the managerial remuneration for the year ended March 31, 2020 has been paid/provided by the Holding Company, its subsidiaries and associates incorporated in India to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act; and

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

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

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

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

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

Anil A. Mehta
Partner
Membership Number: 030529

Place : Mumbai
Date : June 26, 2020

UDIN : 20030529AAAAGG3616

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

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

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

1. In conjunction with our audit of the Consolidated Financial Statements of Patel Engineering Limited which includes joint operations as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Patel Engineering Limited which includes joint operations (hereinafter referred to as the "Holding Company") and its subsidiaries and its associates, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in Other Matters paragraph below, the Holding Company, its subsidiaries, and its associates, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these Consolidated Financial Statements and such internal financial controls over financial reporting with reference to these Consolidated Financial Statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

9. Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements of the Holding Company, in so far as it relates to separate financial statement of 22 subsidiaries and 1 branch, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and branch incorporated in India.

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

Anil A. Mehta
Partner
Membership Number: 030529

Place : Mumbai
Date : June 26, 2020

UDIN : 20030529AAAAGG3616

Consolidated Balance Sheet as at March 31, 2020

		Notes	As At March 31, 2020 ₹ Million	As At March 31, 2019 ₹ Million
I.	**ASSETS**			
1	**Non-current assets**			
	(a) Property, plant and equipment	2	5,784.71	5,472.79
	(b) Capital work-in-progress		11,408.35	10,627.45
	(c) Intangible assets		3.86	5.18
	(d) Goodwill on consolidation		283.86	306.96
	(e) Financial assets			
	(i) Investments	3	789.75	1,164.43
	(ii) Trade receivables	4	6,522.32	6,396.64
	(iii) Loans	5	853.34	655.81
	(iv) Other financial assets	6	614.10	316.89
	(f) Deferred tax assets (net)	7	1,174.94	1,638.67
	(g) Current tax assets (net)	8	141.14	511.88
	(h) Other non current assets	9	7,723.39	6,508.49
	Total non current assets		**35,299.77**	**33,605.19**
2	**Current assets**			
	(a) Inventories	10	35,662.36	35,463.37
	(b) Financial assets			
	(i) Trade receivables	4	3,275.06	2,295.99
	(ii) Cash and cash equivalents	11	1,132.49	1,244.79
	(iii) Other bank balances	12	4.76	0.21
	(iv) Loans	5	845.02	800.20
	(v) Other financial assets	6	913.49	116.67
	(c) Current tax assets (net)	8	13.31	146.40
	(d) Other current assets	9	7,791.98	8,183.05
	(e) Assets classified as held for sale	13	266.00	150.00
	Total current assets		**49,904.47**	**48,400.68**
	TOTAL ASSETS		**85,204.23**	**82,005.86**
II.	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity share capital	14	408.17	164.24
	(b) Other equity		25,061.78	22,602.88
	Equity attributable to owners of the parent		**25,469.95**	**22,767.12**
	Non-controlling interests		330.98	565.93
	Total Equity		**25,800.93**	**23,333.05**
2	**Liabilities**			
	Non current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	15	9,193.78	13,047.97
	(ii) Trade payables	16		
	a) Total outstanding dues of micro enterprises and small enterprises		-	-
	b) Total outstanding dues of creditors other than micro enterprises and small enterprises		3,302.45	3,168.50
	(iii) Other financial liability	17	156.81	4.38
	(b) Provisions	18	102.40	68.85
	(c) Other non current liabilities	19	4,771.28	4,329.55
	(d) Deferred revenue	20	75.59	55.04
	Total non current liabilities		**17,602.31**	**20,674.30**
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	21	13,250.89	13,437.80
	(ii) Trade payables	22		
	a) Total outstanding dues of micro enterprises and small enterprises		23.92	16.90
	b) Total outstanding dues of creditors other than micro enterprises and small enterprises		13,674.80	10,910.87
	(iii) Other financial liabilities	23	1,775.26	1,542.15
	(b) Provisions	18	27.20	16.68
	(c) Other current liabilities	24	13,048.92	12,074.11
	Total current liabilities		**41,800.99**	**37,998.51**
	TOTAL EQUITY AND LIABILITIES		**85,204.23**	**82,005.86**
	Summary of significant accounting policies	1		

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

As per our report of even date

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

Anil A. Mehta
Partner
Membership No. 030529

Place: Mumbai
Date : June 26, 2020

For and on behalf of Board

Rupen Patel
Chairman &
Managing Director
DIN : 00029583

Kavita Shirvaikar
Chief Financial Officer &
Director
DIN : 07737376

Sunil Sapre
Director
DIN : 05356483

Shobha Shetty
Company Secretary
Mem. No.: F10047

Consolidated Statement of Profit and Loss for the year ended March 31, 2020

		Notes	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
I.	**Revenue from operations**	25	26,172.14	23,622.05
II.	**Other income**	26	2,057.29	1,751.00
III.	**Total revenue (I + II)**		**28,229.43**	**25,373.05**
IV.	**Expenses:**			
	Cost of construction	27	21,043.65	16,601.92
	Purchase of stock in trade		66.04	22.94
	Employee benefits expense	28	1,943.45	1,676.27
	Finance costs	29	2,662.69	3,702.67
	Depreciation and amortization expense	2	661.86	501.95
	Other expenses	30	1,265.69	1,719.72
	Total expenses		**27,643.36**	**24,225.47**
V.	**Profit before exceptional items and tax (III-IV)**		**586.07**	**1,147.58**
VI.	**Exceptional items**	31	38.88	(891.52)
VII.	**Profit before tax (V - VI)**		**547.20**	**2,039.10**
VIII.	**Tax expense:**			
	(1) Current tax		211.37	950.93
	(2) Tax adjustments for earlier years		(86.02)	0.01
	(3) Deferred Tax		108.82	(506.00)
IX.	**Profit for the year (VII-VIII)**		**313.03**	**1,594.16**
X.	**Share in loss in associates (net)**		(201.72)	(52.70)
XI.	**Net profit after tax and share in loss in associates**		**111.31**	**1,541.46**
XII.	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans		(31.97)	2.37
	(ii) Income tax relating to items that will not be reclassified to profit or loss		4.42	0.56
XIII.	**Total other comprehensive income**		**(27.55)**	**2.93**
XIV.	**Total comprehensive income for the year (XI+XIII) (comprising profit and other comprehensive income for the year)**		**83.76**	**1,544.39**
XV.	**Minority interest**		**39.30**	**57.14**
XVI.	**Owners of the parent (XIV- XV)**		**44.46**	**1,487.25**
XVII.	**Earnings per equity share:**			
	(1) Basic	36	0.39	8.43
	(2) Diluted		0.39	4.58
	Summary of significant accounting policies	1		

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

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

Anil A. Mehta
Partner
Membership No. 030529

Place: Mumbai
Date : June 26, 2020

For and on behalf of Board

Rupen Patel
Chairman &
Managing Director
DIN : 00029583

Kavita Shirvaikar
Chief Financial Officer &
Director
DIN : 07737376

Sunil Sapre
Director
DIN : 05356483

Shobha Shetty
Company Secretary
Mem. No.: F10047

Consolidated Cash Flow Statement for the year ended March 31, 2020

		March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net profit after tax	111.31	1,541.46
	Adjustment for:		
	Depreciation/ amortisation	661.86	501.95
	Tax expenses	234.17	444.95
	Finance charges	2,662.69	3,702.67
	Interest income and dividend received	(924.67)	(864.11)
	Foreign exchange loss	44.21	26.98
	Provision for leave salary	30.77	(2.65)
	Provision for gratuity	13.29	(3.77)
	Share in associates	201.74	292.84
	Share in JV	(176.20)	109.42
	Gain on de-recognition of financial assets	-	(103.50)
	Provision for impairment	38.88	(788.02)
	Profit on sale of assets	(14.99)	(53.84)
	Excess credit written back	(849.41)	(437.23)
	Irrecoverable debts and advances written off	103.91	303.68
	ESOP compensation expenses	4.09	7.82
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**2,141.65**	**4,678.65**
	Adjustment for changes in:		
	Trade and other receivables	(3,282.06)	(2,559.44)
	Inventories	(198.99)	(3,847.72)
	Trade and other payables (excluding income tax)	4,783.48	9,390.02
	Cash from operations	**3,444.08**	**7,661.51**
	Direct tax refund received	629.11	695.42
	NET CASH FROM OPERATING ACTIVITIES (A)	**4,073.19**	**8,356.93**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	(Purchase) / adjustments of fixed assets (including capital work in progress and capital advances)	(527.14)	(3,190.25)
	Sale of fixed assets	59.36	64.76
	Increase in loans to JV/ associates	(102.32)	(483.24)
	Purchase of investments	0.01	(43.76)
	Increase in other bank balances	24.55	21.00
	Interest and dividend received	71.29	357.11
	NET CASH USED IN INVESTING ACTIVITIES (B)	**(474.24)**	**(3,274.38)**

	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of shares	177.80	7.25
Proceeds from long term borrowings	514.42	1,797.31
Repayment of long term borrowings	(1,561.92)	(3,963.84)
Dividend paid	(0.21)	(0.50)
Finance charges paid	(2,797.13)	(2,967.28)
NET CASH USED IN FINANCING ACTIVITIES (C)	**(3,667.04)**	**(5,127.06)**
Net decrease in cash and cash equivalents (A+B+C)	**(68.09)**	**(44.51)**
Opening balance of cash and cash equivalents	1,244.79	1,316.29
Balance of cash and cash equivalents	1,176.69	1,271.77

Notes to Cash flow Statement

a) **Cash and Cash Equivalents**

Cash on hand and balance with banks	1,132.49	1,244.79
Effect of exchange rate changes	44.21	26.98
Closing cash and cash equivalents as restated	1,176.69	1,271.77

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) **Reconcilation of liabilities arising from financing activities** ₹ Million

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

March 31, 2019	Opening balance	Cash Flow	Non - Cash Changes	Closing balance
Borrowings (including short term borrowing, long term borrowing & current maturity)	29,202.35	(2,166.53)	(55.75)	26,980.07
Unpaid dividend	0.71	(0.50)	-	0.21
	29,203.06	**(2,167.03)**	**(55.75)**	**26,980.28**

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

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

Anil A. Mehta
Partner
Membership No. 030529

Place: Mumbai
Date : June 26, 2020

For and on behalf of Board

Rupen Patel
Chairman &
Managing Director
DIN : 00029583

Kavita Shirvaikar
Chief Financial Officer &
Director
DIN : 07737376

Sunil Sapre
Director
DIN : 05356483

Shobha Shetty
Company Secretary
Mem. No.: F10047

Consolidated Statement of Changes in Equity for the year ended March 31, 2020

(A) EQUITY SHARE CAPITAL

Particulars	Number of shares	₹ Million
Equity shares of Re 1 each issued, subscribed and paid		
As at 31 March 2018	156,994,691	156.99
Issue of equity shares	7,253,815	7.25
As at 31 March 2019	**164,248,506**	**164.25**
Issue of equity shares	243,929,786	243.93
As at 31 March 2020	**408,178,292**	**408.17**

(B) OTHER EQUITY

₹ Million

Particulars	Equity component of compound financial instruments	Reserves and surplus										
		Capital reserve	General reserve	Securities premium	Debenture redemption reserve	Stock option outstanding account	Foreign currency monetary item translation difference	Capital redemption reserve	Surplus in the statement of profit and loss	Total equity attributable to equity holders	Non - controlling interest	Total equity attributable to equity holders
As at March 31, 2018	-	277.57	2,749.95	12,012.85	250.00	1.03	340.81	300.00	5,508.85	21,441.05	557.45	21,998.51
- Profit for the year	-	-	-	-	-	-	-	-	1,484.32	1,484.32	57.14	1,541.46
- Other comprehensive income for the year	-	-	-	-	-	-	-	-	151.08	151.08	-	151.08
- Adjustment during the year	-	-	-	-	-	-	-	-	(570.50)	(570.50)	(48.66)	(619.16)
- Adjustment on account of IND AS	-	-	-	-	-	-	-	-	109.42	109.42		109.42
- Adjustment on account fluctuation in foreign exchange	-	-	-	-	-	-	(20.32)	-	-	(20.32)	-	(20.32)
- Stock option	-	-	-	-	-	7.82	-	-	-	7.82	-	7.82
- Transfer from / to debenture redemption reserve	-	-	78.00	-	(78.00)	-	-	-	-	-	-	-
As at March 31, 2019	-	277.57	2,827.95	12,012.85	172.00	8.85	320.49	300.00	6,683.17	22,602.88	565.93	23,168.81
- Profit for the year	-	-	-	-	-	-	-	-	72.01	72.01	39.30	111.31
- Other comprehensive income for the year	-	-	-	-	-	-	(19.25)	-	(8.31)	(27.55)	-	(27.55)
- Adjustment during the year	-	-	0.67	-	-	-	-	-	315.79	316.46	(274.25)	42.21
- Adjustment on account of consolidation of joint venture	-	-	-	-	-	-	-	-	(176.20)	(176.20)	-	(176.20)
- Adjustment on account fluctuation in foreign exchange	-	-	-	-	-	-	(3.76)	-	-	(3.76)	-	(3.76)
- Issued during the year	166.69	-	-	-	-	-	-	-	-	166.69	-	166.69
- Issue of equity shares	-	-	-	2,139.77	-	-	-	-	-	2,139.77	-	2,139.77
- Share issue expenses				(32.61)						(32.61)		(32.61)
- Stock option	-	-	-	-	-	4.09	-	-	-	4.09	-	4.09
- Transfer from / to debenture redemption reserve	-	-	172.00	-	(172.00)	-	-	-	-	-	-	-
As at March 31, 2020	166.69	277.57	3,000.62	14,120.00	-	12.93	297.48	300.00	6,886.48	25,061.78	330.98	25,392.76

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

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

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

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

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

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

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

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

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

As per our report of even date

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

Anil A. Mehta
Partner
Membership No. 030529

Place: Mumbai
Date : June 26, 2020

For and on behalf of Board

Rupen Patel
Chairman & Managing Director
DIN : 00029583

Kavita Shirvaikar
Chief Financial Officer & Director
DIN : 07737376

Sunil Sapre
Director
DIN : 05356483

Shobha Shetty
Company Secretary
Mem. No.: F10047

Notes to Consolidated Financial Statement for the year ended March 31, 2020

NOTE : 1

1.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

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

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

These consolidated financial statement have been approved for issue by Board of Directors at their meeting held on June 26, 2020.

b) Basis of preparation

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

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

c) Principles of consolidation

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

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

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

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

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

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

Notes to Consolidated Financial Statement for the year ended March 31, 2020

d) Current/Non-current classification

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

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

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

e) Method of accounting

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

f) Critical accounting estimates and judgements

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

The areas involving critical estimates or judgements are:

- Measurement of defined benefit obligation

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

- Recognition of deferred taxes

- Estimation of impairment

- Estimation of provision and contingent liabilities.

g) Property, plant and equipment

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

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

Machinery Spares that meet the defination of PPE are capitalised.

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

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

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

h) Depreciation

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

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

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

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

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

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

i) Impairment of non-financial assets

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

j) Inventories

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

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

k) Recognition of income and expenditure

i) The Group constructs various infrastructure projects on behalf of clients. Under the terms of the contracts, the group is contractually restricted from redirecting the properties to another customer and has an enforceable right to payment for work done. Revenue is therefore recognised over a period of time on a cost to cost method, i.e. based on the stage of completion at the balance sheet date, billing schedules at agreed contract terms with the client on a progressive completion basis. This is achieved by estimating total revenue including claims / variations and total cost till completion

Notes to Consolidated Financial Statement for the year ended March 31, 2020

of the contract and the profit is recognised in proportion to the value of work done when the outcome of the contract can be estimated reliably. Revenue also includes claims / variations when it is highly probable of recovery based on estimate and assessment of each item by the management based on their judgment of recovery. The management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under Ind AS 115.

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

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

ii) The Group 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 group 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 group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control of a product or service to a customer.

l) Foreign currency transaction/translations

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

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

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

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

m) Financial instrument:

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

(I) Financial asset:

Initial recognition and measurement :

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

Subsequent measurement :

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

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

(a) Financial asset measured at amortized cost :

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

(a) Trade receivables

(b) Investment in subsidiaries

(c) Loans

(d) Other financial assets

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

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

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

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

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.

Notes to Consolidated Financial Statement for the year ended March 31, 2020

Impairment of financial assets:

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

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

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

(c) Lease receivables under Ind AS 17.

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

(e) Loan commitments which are not measured at FVTPL

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

(II) Financial liability

Initial recognition and measurement :

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

Subsequent measurement :

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

Financial liabilities at amortized cost:

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

The Group is classifying the following under amortized cost

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

Derecognition:

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

n) Financial derivative and hedging transactions

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

o) Fair value measurement

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 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 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

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.

Notes to Consolidated Financial Statement for the year ended March 31, 2020

Deferred tax:

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

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

r) Provisions, contingent liabilities and contingent assets

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

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

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

s) Employees stock option plan

Compensation expenses under "Employee Stock Option Plan" representing excess of fair price of the shares on the date of grant of option over the exercise price of option is amortized on a straight-line basis over the vesting period.

t) Borrowing cost

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

u) Leases

As per IND AS 116

As a lessee

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

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

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

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

Short-term leases and leases of low-value assets

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

Under Ind AS 17

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as expense in the statement of profit and loss on a straight line basis over the lease term.

v) Business combinations

Business Combinations have been accounted for using the acquisition method as per Ind AS 103.

The cost of an acquisition is measured at the fair value of the asset transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred.

Business Combinations between entities under common control are accounted for at carrying value.

Transaction costs that the Group incurs in connection with a business combination are expensed as incurred.

w) Earning per share

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

x) Preliminary and preoperative expenses

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

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

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

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

z) Standards issued but not yet effective

The amendments are proposed to be effective for reporting periods beginning on or after April 1, 2020. Ministry of Corporate Affairs has carried out amendments in Ind AS 116 related to Rent Concessions. The Group is in the process of evaluating the impact of the new amendments issued but not yet effective.

Notes to Consolidated Financial Statement for the year ended March 31, 2020

Note : 2

PROPERTY, PLANT AND EQUIPMENT AS AT MARCH 31, 2020

₹ Million

Particulars	Gross Block						Depreciation						Net Book Value	
	As at April 1, 2019	Addition	Deduction/ Retirement	Sub Total	Foreign Currency Fluctuation	As at March 31, 2020	As at April 1, 2019	For the year	Deduction	Sub Total	Foreign Currency Fluctuation	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
TANGIBLE ASSETS														
Land [1]	2,543.51	42.62	4.88	2,581.25	9.13	2,590.38	-	-	-	-	-	-	2,590.38	2,543.51
Building [2]	624.05	0.03	4.62	619.46	2.19	621.65	173.77	20.11	1.19	192.69	2.39	195.08	426.57	450.28
Plant and equipment [3]	6,162.12	561.46	726.26	5,997.32	(0.11)	5,997.21	4,273.79	396.81	717.21	3,953.38	(0.08)	3,953.30	2,043.91	1,888.33
Furniture and fixtures	101.59	0.98	6.71	95.86	(0.09)	95.77	92.91	3.99	6.68	90.22	(0.09)	90.13	5.64	8.68
Vehicles [4]	1,273.18	62.01	32.99	1,302.20	(0.08)	1,302.12	1,004.00	83.96	32.17	1,055.79	(0.08)	1,055.71	246.42	269.19
Office equipments	63.17	1.31	1.76	62.72	(0.03)	62.69	57.89	1.84	1.72	58.01	(0.03)	57.98	4.71	5.28
Others [5]	39.59	0.48	-	40.07	-	40.07	27.21	0.88	-	28.09	-	28.09	11.98	12.38
Electric equipment	82.05	10.70	0.33	92.42	-	92.42	63.23	7.47	0.30	70.40	-	70.40	22.02	18.82
Computer equipments	100.38	19.16	0.90	118.64	(0.07)	118.57	92.77	5.87	0.91	97.73	(0.07)	97.66	20.90	7.60
Container	16.14	1.35	7.72	9.77	-	9.77	12.23	0.85	7.66	5.42	-	5.42	4.35	3.91
Total	**11,005.78**	**700.09**	**786.17**	**10,919.71**	**10.94**	**10,930.65**	**5,797.80**	**521.78**	**767.84**	**5,551.73**	**2.04**	**5,553.77**	**5,376.87**	**5,207.98**
INTANGIBLE ASSETS														
Computer software	57.31	2.27	0.10	59.48	-	59.48	52.13	3.56	0.07	55.62	-	55.62	3.86	5.18
Goodwill	306.96	-	23.10	283.86	-	283.86	-	-	-	-	-	-	283.86	306.96
Total	364.27	2.27	23.20	343.34	-	343.34	52.13	3.56	0.07	55.62	-	55.62	287.72	312.14
RIGHT TO USE [6]														
Building	-	83.79	-	83.79	-	83.79	-	22.96	-	22.96	-	22.96	60.83	-
Plant and Equipment	267.94	201.52	-	469.46	-	469.46	14.50	117.81	-	132.32	-	132.32	337.14	253.44
Vehicles	12.06	-	-	12.06	-	12.06	0.69	1.51	-	2.20	-	2.20	9.86	11.37
Total	**280.00**	**285.32**	**-**	**565.32**	**-**	**565.32**	**15.20**	**142.28**	**-**	**157.48**	**-**	**157.48**	**407.83**	**264.80**
Less : Transferred to Capital WIP								5.76	-	5.76				
Sub-Total	**11,650.05**	**987.68**	**809.37**	**11,828.36**	**10.94**	**11,839.30**	**5,865.12**	**661.86**	**767.91**	**5,764.83**	**2.04**	**5,766.87**	**6,072.42**	**5,784.93**
Capital Work-In-Progress	10,627.45	797.59	21.96	11,403.09	5.26	11,408.35	-	-	-	-	-	-	11,408.35	10,627.45
GROSS TOTAL	**22,277.50**	**1,785.27**	**831.33**	**23,231.45**	**16.20**	**23,247.65**	**5,865.12**	**661.86**	**767.91**	**5,764.83**	**2.04**	**5,766.87**	**17,480.78**	**16,412.37**

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

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

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

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

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

₹ Million

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

₹ Million

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

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

PROPERTY, PLANT AND EQUIPMENT AS AT MARCH 31, 2019

₹ Million

Particulars	Gross Block						Depreciation						Net Book Value	
	As at April 1, 2018	Addition	Deduction/ Retirement	Sub Total	Foreign Currency Fluctuation	As at March 31, 2019	As at April 1, 2018	For the year	Deduction	Sub Total	Foreign Currency Fluctuation	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
TANGIBLE ASSETS														
Land [1]	2,521.42	14.55	0.35	2,535.62	7.89	2,543.51	-	-	-	-	-	-	2,543.51	2,521.42
Building [2]	557.10	71.52	7.08	621.54	2.51	624.05	147.80	25.18	1.81	171.17	2.60	173.77	450.28	409.30
Plant and Equipment [3]	5,927.96	307.02	72.92	6,162.06	0.06	6,162.12	3,992.77	363.29	82.11	4,273.95	(0.16)	4,273.79	1,888.33	1,935.19
Lease Plant and equipment		267.94		267.94		267.94		14.50		14.50		14.50	253.44	-
Furniture and Fixtures	102.45	1.82	2.73	101.54	0.05	101.59	90.95	4.53	2.62	92.86	0.05	92.91	8.68	11.50
Vehicles [4]	1,314.09	26.98	67.93	1,273.13	0.05	1,273.18	982.50	81.10	59.61	1,003.99	0.01	1,004.00	269.19	331.59
Lease Vehicle		12.06		12.06		12.06		0.69		0.69		0.69	11.37	-
Office Equipments	65.40	1.89	4.17	63.12	0.05	63.17	59.79	1.99	3.92	57.86	0.03	57.89	5.28	5.61
Others [5]	31.62	7.97	-	39.59	-	39.59	26.50	0.71	-	27.21	-	27.21	12.38	5.12
Electric equipment	76.69	5.36	-	82.05	-	82.05	57.05	6.18	-	63.23		63.23	18.82	19.64
Computer Equipments	98.89	4.12	2.68	100.34	0.04	100.38	88.88	6.65	2.80	92.73	0.04	92.77	7.60	10.01
Container	15.49	0.65	-	16.14	-	16.14	11.19	1.04	-	12.23	-	12.23	3.91	4.30
Total	**10,711.12**	**721.88**	**157.86**	**11,275.13**	**10.65**	**11,285.78**	**5,457.43**	**505.86**	**152.87**	**5,810.42**	**2.57**	**5,812.99**	**5,472.79**	**5,253.68**
INTANGIBLE ASSETS														
Computer Software	52.32	4.99	-	57.31	-	57.31	50.10	2.03	-	52.13	-	52.13	5.18	2.22
Goodwill	306.96	-	-	306.96	-	306.96	-	-	-	-	-	-	306.96	306.96
TOTAL	**359.28**	**4.99**	**-**	**364.27**	**-**	**364.27**	**50.10**	**2.03**	**-**	**52.13**	**-**	**52.13**	**312.14**	**309.18**
Less : Trfd to Capital WIP								5.93	5.93					
GROSS TOTAL	**11,070.40**	**726.87**	**157.86**	**11,639.40**	**10.65**	**11,650.05**	**5,507.53**	**501.96**	**146.94**	**5,862.55**	**2.57**	**5,865.12**	**5,784.93**	**5,562.86**
Capital Work-In-Progress	7,921.30	4,962.15	2,271.95	10,611.50	15.95	10,627.45	-	-	-	-	-	-	10,627.45	7,921.30
TOTAL	**18,991.70**	**5,689.02**	**2,429.82**	**22,250.90**	**26.60**	**22,277.50**	**5,507.53**	**501.96**	**146.94**	**5,862.55**	**2.57**	**5,865.12**	**16,412.37**	**13,484.16**

Notes

1 Land includes ₹ 7.09 million (P.Y. ₹ 7.13 million) held in the name of directors, relatives of directors and employees for and on behalf of the Company

2 a) Building includes building [gross block - ₹ 438.45 million (P.Y. ₹ 374.14 million), accumulated depreciation ₹ 97.76 million (P.Y. ₹ 83.08 million)] and factory building [gross block - ₹ 182.96 million (P.Y. ₹ 182.96 million), accumulated depreciation ₹ 75.91 million (P.Y. ₹ 64.76 million)]

b) Includes ₹ 0.0083 million (₹ 0.0088 million) being the value of 165 shares (PY 175 shares) and share deposits in Co - operative Societies

3 Includes ₹ 0.47 million (P.Y. ₹ 0.12 million) towards exchange rate difference.

₹ Million

		Gross block 2018-19	Gross block 2017-18	Acc dep. 2018-19	Acc dep. 2017-18
4	**Vehicles includes**	**Gross block 2018-19**	**Gross block 2017-18**	**Acc dep. 2018-19**	**Acc dep. 2017-18**
	Motor car	273.69	276.39	203.69	199.90
	Motor truck	998.94	1,034.52	789.36	780.54
	Motor cycle	3.17	3.18	2.26	2.06

₹ Million

5	**Others include**	**Gross block 2018-19**	**Gross block 2017-18**	**Acc dep. 2018-19**	**Acc dep. 2017-18**
	Ship	0.06	0.06	0.05	0.04
	Rails and trolley	39.53	31.57	27.15	26.45

Notes to Consolidated Financial Statement for the year ended March 31, 2020

NOTE : 3
INVESTMENT

	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
NON- CURRENT INVESTMENTS		
- In equity instrument, unquoted		
20,207 shares (20,207) of ASI Constructors INC. par value US $ 0.0099 per share	-	170.54
- In preference instruments, unquoted		
59,375 shares (59,375) of ASI Const. Inc, par value US$ 100 per share	-	391.33
Other equity investments- unquoted		
In joint ventures	12.70	12.72
In associates		
Other Investments (Accounted under equity method)		
26,672,000 shares (26,672,000) of Raichur Sholapur Transmission Company Ltd., face value ₹ 10/- per share	241.01	240.06
10,006,000 shares (10,006,000) of Patel KNR Heavy Infrastructures Limited, face value ₹10/- per share	119.35	79.50
5,000 shares (5,000) of PLS Private Limited, face value LKR.10/- per share	-	0.02
8,495,040 Shares (8,495,040) of ACP Tollways Private Limited, face value ₹ 100/- per share (includes goodwill of ₹ 2.77 million)	407.73	650.25
2,40,19,600 shares (2,40,19,600) of Hitodi Infrastructure Ltd. face value ₹10 per share	-	-
	768.08	**969.82**
Investment in government securities IV	0.12	0.12
Investment by joint venture	76.00	76.00
Investment in partnership firms V	0.03	160.24
Investment in mutual funds (quoted)	0.52	0.52
Total	**857.45**	**1,781.30**
Less : Provision for impairment III	67.70	616.87
TOTAL NON -CURRENT INVESTMENT	**789.75**	**1,164.43**

I. Aggregated amount of unquoted investments as at March 31, 2020 ₹ 789.20 million (P.Y. ₹ 1,003.67 million).

II. Aggregated amount of quoted investments as at March 31, 2020 ₹ 0.52 million, market value ₹ 0.52 million (P.Y. ₹ 0.52 million, market value ₹ 0.52 million).

III. Aggregated amount of impairment in value of investments as at March 31, 2020 ₹ 139.70 million (P.Y. ₹ 688.87 million) (Also refer note 13).

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

V. A firm AHCL - PEL having fixed capital of ₹75,000 (P.Y. ₹ 75,000), had profit sharing as follows :- the company 20% (P.Y. 20%), Ace Housing & Const. Ltd. 1% (P.Y. 1%) & Pravin Patel 79% (P.Y. 79%). The company and another partner had by a notice sent to other partner of the firm, dissolved the firm. The partners have subsequently gone into arbitration as directed by court the proceedings of which are on and the final outcome of which is awaited. In Patel Advance JV partnership firm, Group having fixed capital of ₹ 0.04/- million. In the firm, partnership sharing has been as follows : the Group 38.5% (P.Y.38.5%), Advance Construction Co. Pvt. Ltd. 12.5% (P.Y. 12.5%), Mr. Sandeep Das 25% (Nil), Mascot Developers Pvt. Ltd. 24% (P.Y. 24%) & Cash Infrastructure Private Limited Nil (PY 25%). The Group will retire from the firm once the occupation certificate is received as specified in the partnership deed & will get compensation as decided in the said deed.

Notes to Consolidated Financial Statement for the year ended March 31, 2020

NOTE : 4

TRADE RECEIVABLES

	Non-Current		Current	
	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Unsecured, considered good unless otherwise stated				
Receivables outstanding for a period exceeding six months				
Considered good	6,331.30	6,070.62	1,903.56	1,421.06
Considered doubtful	-	-	5.12	2.39
	6,331.30	**6,070.62**	**1,908.69**	**1,423.45**
Less : Provision for doubtful debts	-	-	5.12	2.39
(A)	**6,331.30**	**6,070.62**	**1,903.56**	**1,421.06**
Other receivables				
Considered good (B)	191.01	326.02	1,371.49	874.93
(A+B)	**6,522.32**	**6,396.64**	**3,275.06**	**2,295.99**

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.

NOTE : 5

LOANS

	Non-Current		Current	
	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Balance in current account with associates / joint ventures / partnership firms				
Unsecured, considered good	853.34	655.81	845.02	800.20
Balance which have significant increase in credit risk	15.04	10.01	27.30	27.30
	868.38	**665.82**	**872.32**	**827.50**
Less: Provision for impairment	15.04	10.01	27.30	27.30
	853.34	**655.81**	**845.02**	**800.20**

NOTE : 6

OTHER FINANCIAL ASSETS

	Non-Current		Current	
	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Cash and bank balance				
- On fixed deposits accounts with scheduled banks*	532.22	232.03	-	-
Deferred finance cost	75.82	79.79	-	-
Secured deposit				
Unsecured, considered good	5.90	5.06	912.90	116.67
Others	**0.17**	**-**	**0.59**	**-**
	614.10	**316.89**	**913.49**	**116.67**

* Includes amount given towards margin money and earnest money deposits

Notes to Consolidated Financial Statement for the year ended March 31, 2020

NOTE : 7
DEFERRED TAX ASSETS

	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Retaled to depreciation on property, plant and equipment	79.87	79.87
Other disallowances under the income tax act	1,095.07	1,558.80
	1,174.94	**1,638.67**

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

	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Deferred income tax liability		
Timing difference on tangible and intangible assets depreciation and amortization	(105.42)	-
Others	(10.08)	(182.87)
Deferred income tax asset		
Disallowances on account of income tax act	1,237.19	1,741.67
Timing difference on tangible and intangible assets depreciation and amortisation	53.24	79.87
Total deferred tax assets (net)	**1,174.94**	**1,638.67**

NOTE : 8
CURRENT TAX ASSETS (NET)

	Non-Current		Current	
	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Advance tax (net)[1]	141.14	511.88	13.31	146.40
	141.14	**511.88**	**13.31**	**146.40**

1 Includes advance tax which is net of provision for tax ₹ 117.21 million (P.Y. ₹ 2,497.24 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, 2020 ₹ Million	March 31, 2019 ₹ Million
Profit / loss before income tax	547.20	2,039.10
Income tax expense calculated at 34.944%	262.44	694.13
Effect of expenses not allowed for tax purpose	14.28	792.19
Effect of income not considered for tax purpose	(5.24)	(289.32)
Others	(60.11)	(246.06)
	211.37	**950.93**

Notes to Consolidated Financial Statement for the year ended March 31, 2020

NOTE : 9
OTHER ASSETS

	Non-Current		Current	
	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Capital advance				
Secured, considered good				
Unsecured, considered good	697.94	581.12	-	-
Security deposit				
Unsecured, considered good	3,631.79	2,585.48	1,398.61	1,420.02
Advance recoverable				
Secured, considered good				
Unsecured, considered good	514.56	1,006.06	4,213.98	5,358.84
Doubtful	527.49	594.59	-	-
Prepaid expenses	84.03	88.09	242.20	76.53
Balance with statutory authorities	331.82	239.27	1,439.70	1,191.02
Accrued interest	1,876.65	1,523.28	27.38	18.20
Preoperative and preliminary expenses	640.62	481.13	-	3.30
Advance to suppliers	14.00	-	126.19	-
Other advances	2.76	-	235.13	-
Receivable on account of sale of long term investments	-	-	66.88	66.88
Non trade receivables	0.01	-	26.00	26.75
Advances to employees	16.31	4.06	15.90	21.51
	8,337.96	**7,103.08**	**7,791.98**	**8,183.05**
Less: Allowance for doubtful advances	527.49	594.59	-	-
Less: Provision for impairment	87.09	-	-	-
	7,723.39	**6,508.49**	**7,791.98**	**8,183.05**

NOTE : 10
INVENTORIES *

	Current	
	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
(At lower of cost or net realizable value/contract rates)		
Stores, embedded goods and spare parts etc.	1,693.83	1,438.02
(Includes stores in transit ₹ 29.09 million (P.Y. ₹ 23.75 million)		
Work in progress	33,968.53	34,025.35
	35,662.36	**35,463.37**

*(As technically valued and certified by the management)

Notes to Consolidated Financial Statement for the year ended March 31, 2020

NOTE : 11
CASH AND CASH EQUIVALENTS

	Current	
	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Balance with banks		
- On current accounts with scheduled banks	919.07	946.70
- On fixed deposits accounts with scheduled banks	102.63	108.92
- On fixed deposits accounts with foreign banks	19.54	-
- Balances with non scheduled banks	80.90	181.50
- Cheques in hand	0.03	-
- Foreign currency in hand	0.23	0.22
Cash on hand	10.08	7.45
	1,132.49	**1,244.79**

NOTE : 12
OTHER BANK BALANCES

	Current	
	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Deposits with maturity more than 3 months but less than 12 months	4.76	-
Balances with bank for unpaid dividend	-	0.21
	4.76	**0.21**

NOTE : 13
ASSETS CLASSIFIED AS HELD FOR SALE

	Current	
	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Investment		
2,22,00,000 shares (2,22,00,000) of Patel KNR Infrastructures Ltd., face value ₹10/- per share	338.00	222.00
2,50,000 shares (2,50,000) of Bellona Estate Developers Ltd., face value ₹ 10/- per	-	-
Less : Provision for impairment	72.00	72.00
TOTAL ASSETS CLASSIFIED AS HELD FOR SALE	**266.00**	**150.00**

NOTE : 14
SHARE CAPITAL AND OTHER EQUITY

		March 31, 2020		March 31, 2019	
		No. of shares	₹ Million	No. of shares	₹ Million
A)	**SHARE CAPITAL**				
a)	**Authorized**				
	Equity shares of Re. 1/- each	2,750,000,000	2,750.00	2,750,000,000	2,750.00
	Zero Coupon Optionally Convertible Preference Shares of ₹ 1 each*	800,000,000	800.00	-	-
	Preference shares of ₹10,000,000 each	-	-	80	800.00

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

		March 31, 2020		March 31, 2019	
		No. of shares	₹ Million	No. of shares	₹ Million
b)	**Issued, subscribed and fully paid up**				
	Equity shares of Re. 1/- each	408,178,292	408.17	164,248,506	164.24
		408,178,292	**408.17**	**164,248,506**	**164.24**

c) Terms/rights attached to equity shares

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

Terms/rights attached to Zero Coupon Optionally Convertible Preference shares

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

		March 31, 2020		March 31, 2019	
		No. of shares	₹ Million	No. of shares	₹ Million
d)	**Reconciliation of equity shares outstanding at the beginning and at end of the year**				
	Outstanding at the beginning of the year	164,248,506	164.25	156,994,691	156.99
	Add :- Issued during the year	243,929,786	243.93	7,253,815	7.25
	Outstanding at the end of the year	408,178,292	408.18	164,248,506	164.24

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

		March 31, 2020		March 31, 2019	
	Name of the shareholder	**No. of shares**	**% holding**	**No. of shares**	**% holding**
i)	Raahitya Constructions Pvt. Ltd. (erstwhile Patel Corporation LLP)	185,331,924	45.40	18,665,257	11.36
ii)	Mr. Rupen Pravin Patel	34,685,933	8.50	1,352,600	0.82
iii)	Praham India LLP	30,995,882	7.59	10,420,892	6.34
iv)	Bank of Baroda	20,572,368	5.04	6,966,499	4.24
v)	Patel Engineering Employees' Welfare Trust	13,232,715	3.24	13,282,715	8.09
vi)	Dena bank	-	-	12,102,989	7.37

f) During the year Company has made prefential allotement of 53,99,66,397 fully paid-up Zero Coupon Optionally Convertible Preference shares ('OCPS') to a Promoter of the Company pursuant to a contract without payment being received in cash. Out of the above, 37,32,72,000 options are 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 been converted into 91,99,470 equity shares after the balance sheet date i.e. March 31, 2020.

Notes to Consolidated Financial Statement for the year ended March 31, 2020

g) Shares reserved under options

In pursunt 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 outsanding option and term of conversion/redemption of OCD has given under the head of Borrowings.

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

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

NOTE : 15
BORROWINGS

		Non-Current Portion		Current Maturities	
		March 31, 2020 ₹ Million	March 31, 2019 ₹ Million	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
I	**Secured Loans**				
a)	Debentures 1	5,281.00	6,370.98	50.00	-
b)	Term loans				
	- From bank 2	2,732.75	3,895.05	261.71	342.17
	- From others 3	1,180.02	1,280.44	201.86	152.13
II	**Unsecured Loans**				
	- From related parties	-	1,501.50		
	Amount disclosed under "Other financial liabilities" in Note No. 23	-	-	(513.56)	(494.30)
		9,193.78	**13,047.97**	**-**	**-**

1 Debentures

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

b) During FY 18, S4A (Scheme for Sustainable Structuring of Stressed Assets) of RBI for Debt resolution plan was approved and implemented by the lenders of the company by virtue of which their debts (including the interest accrued thereon) on the reference date of August 8, 2017 was split into Part A debt which was serviceable from the reference date and PART B Debt, which was converted into 0.01% Optionally Convertible Debentures (OCD) with a 7% IRR repayable over a period of 10 years commencing from the 6th year. Further in FY 19, Implementation from LIC (Life Insurance Coproration of India) & GIC (General Insurance Coproration of India) was completed as per the scheme and Units of OCD under Part B Debt was issued by the company. As part of the above S4A scheme, lenders of the company had converted Part B debt from Working Capital Term Loan (WCTL) , Working Capital facilities (CC) , Non Convertible Debentures (NCD) & Short Term Loans (STL) facilities into various tranches of Optionally Converted Debentures (OCD). The tranche wise details of OCD allotted during the year and outstanding as on March 31, 2020 are as follows - Tranche 1. (WCTL) ₹ 1,303.00 million (P.Y. ₹ 1,946.36 million) ,Tranche 2 (CC) ₹ 2,532.51 million (P.Y. ₹ 2,765.81 million) , Tranche 3 (GIC OCD) ₹ 43.90 million (P.Y ₹ 43.90 million), Tranche 4 (SCB STL) ₹ 50.00 million (P.Y. ₹ 253.0) Tranche 5 (NCD) ₹ 1.30 million(P.Y. ₹ 1.30 million), Tranche 7 (LIC) ₹ 708.30 million (P.Y. ₹ 708.30 million) & Tranche 9. (STL) ₹ 349.00

million (P.Y. ₹ 349.00 million). These debentures have a face value of ₹ 1000 each aggregating to ₹.4987.91 million as on March 31, 2020 (P.Y. ₹ 6067.75 million).

The OCD's carry a coupon rate of 0.01% p.a. payable annually on March 31 every year, with a Yield to Maturity (YTM) of 7% p.a. payable at the time of maturity, payable from the reference date August 8, 2017 (for Tranches 1,2,4,5,9) and the original repayment schedule for repayment is over a period of 10 years as follows - at the end of 6th year from reference date, i.e. August 8, 2023 - 5%, end of 7th year, i.e. August 8, 2024 - 20%, end of 8th year, i.e. August 8, 2025 - 25%, end of 9th year, i.e. August 8, 2026 - 25% and end of 10th year, i.e. August 8, 2027 - 25%. For Tranch 3 (GIC) the OCD units were credited effective July 1, 2018 & Tranch 7 (LIC) the OCD Units were credited effective December 17, 2018, with Moratorium of 5 Years and balance payable in 5% in Year 6, 20% in Year 7, 25% each in Year 8 ,Year 9 & Year 10, from their effective credit date along with the Yield to Maturity of 7% p.a.

Tranche 1 is secured against the same security as for WCTL - refer note 12 - 2 a) below in Term Loan Banks, Working Capital Term Loan note, Tranche 2 is secured against the same security as for CC - refer note 17 - 2) below in Working capital Demand loan Note, Tranche 3 is secured against charge on certain property held as fixed assets of the company and subservient charge on all the property, plant and equipment of the company. Tranche 7 is secured against the same security as for OCD earlier which were issued to LIC - refer note 12 - 1a) above. Tranche 1 & Tranche 2 are also secured by pledge of 93,50,927 Shares (P.Y. 93,50,927 Shares) of Patel Engineeering Limited held by promoters of the company and pledge of 49% holding of the company in Hitodi Infrastructure Ltd. The said OCDs are also secured by Personal Guarantees of Mr. Rupen Patel and Mr. Pravin Patel. These securities are also for Part A Debt. Tranche 5 is secured agaisnt the pledge of 93,50,927 Shares (P.Y. 93,50,927 Shares) of Patel Engineeering Limited. held by Mr. Pravin Patel and promoters of the company. Tranche 4 & Tranch 9 is secured against the same security as for STL of SCB & DBS respectively - refer note 17 - 1) below in Short Term Loans Note 21.

c) As per Section 71 of the Companies Act, 2013 the Company had created adequate debenture redemption reserve ('DRR') for the above series of secured redeemable non convertible debenture. However, Ministry of Corporate Affairs('MCA') has issued the notification of DRR on August 16, 2019 which exempt the DRR requirement to a listed entities. On the basis of this notification, company has transferred DRR balance to General Reserve. Further, in terms section 71 read with Rule 18(7)(c) of Companies Share Capital and Debentures Rules, 2014, no deposit / investment was made by the Company as there are no additional debentures which are maturing during the next year 2020-21.

2 Term loan banks

a) Term loan includes Working Capital Term Loan(WCTL) secured by a First paripassu charge on the receivables more than 180 days, retention deposit, stock of land, immovable property and mortgage over certain lands owned by subsidiary companies, corporate guarantee and pledge of 30% shareholding of subsidiaries owning real estate lands. Mr. Pravin Patel and Mr. Rupen Patel, promoter in their personal capacity and Ms. Sonal Patel, Mr. Bhim Batra and Mr. Muthu Raj to the extent of the value of the property owned by them, has provided personal guarantees for WCTL. Also there is a Charge on escrow accounts of Company, wherein cashflows will be deposited from real estate projects to be developed/monetized by respective companies, Pledge of 93,50,927 Shares (P.Y. 93,50,927 Shares) shares of Patel Engineering Limited held by Mr. Pravin Patel and promoters and 49% Share holding of Hitodi Infrastructures Ltd. held by the Company. The WCTL Term loans are repayable over 1 to 4 years starting FY 2020 to FY 2023 and presently there are no interest and principal overdue for repayment & outstanding for such loans taken by the company as on March 31, 2020. The rates of Interest for these loans vary between 10%- 13% (floating) linked to Monitoring Institution's base rate.

Due to Covid – 19 pandemic situation, Reserve Bank of India has granted moratorium for all interest and principal payments from March 1, 2020 to August 31, 2020 and the same shall not be treated as default as per RBI circular no. RBI/2019-20/186 dated March 31, 2020 and RBI/2019-20/244 dated May 23, 2020 on Covide 19- Regulatory Package.

Notes to Consolidated Financial Statement for the year ended March 31, 2020

b) Term loan of ₹ 0.87 million (PY ₹ 1.77 million) Secured by Hypothecation of specified motor vehicles acquired under the said loans. Interest rate ranging from 9.25% to 10%

c) Term loan of ₹ 401.51 million (PY ₹ 519.51 million) was taken during the financial year 2016-17 and carries interest MCLR (1 Year) + 2.75% p.a. The Loan is repayable starting from January, 2019 in 14 quarterly Instalment. The loan is secured by pari passu charge over the current assets of the PBSR Developers Pvt Ltd ('PBSR') including receivables of the PBSR. The charge to cover escrow account established / to be established for the project under PBSR. First pari-pasu charge over about 4 acres land in Gachibowli, Hyderabad owned by the PBSR.

d) Term loans of ₹ 1756.74 millions (PY ₹ 2675.47 millions) are secured by first charge on tangible and intangible assets, both existing in the present and to be acquired in the future in the Dirang Energy Pvt Ltd (DEPL). Also, Collaterally secured by pledging of 51% of the equity shares of the DEPL. The rate of interest is 13.25% and the repayment instalment shall be due between April, 2018 to January, 2030.

3 From others

a) The Term Loan of ₹ 627.21 million includes loans from Financial Institutions on Equipments, secured against the said Equipments. These loans carried an interest rate of average between 13%-14% on an average, with a repayment period of 3-5 years . This Term Loan 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 as on March 31, 2020. The said amounts are inlcuded in current maturity of long term debt. The above amount also incudes ₹ 280.0 million. (P.Y . 280.0 million) as finance lease against equipments carring an interest rate of 12.50 % with repayment up to 4 years ending October 2023 and starting from September 2020 (earlier May 2020, refer above para 15.2(a)) for Covid-19 package.

b) Term loan of ₹ 12.15 million (PY ₹ 4.63 million) Secured by Hypothecation of specified machineries acquired under the said loan. Interest rate ranging from 9.25% to 12.02%. Further loan is secured by personal guarantee of managing director of the Michigan Engineers Pvt Ltd.

c) Term loan of ₹ 742.52 million (PY ₹ 742.52 million) are secured by first charge on tangible and intangible assets, both existing in the present and to be acquired in the future in the DEPL. Also, Collaterally secured by pledging of 51% of the equity shares of DEPL. The rate of interest is 13.25% and the repayment instalment shall be due between April, 2018 to January, 2030.

4 From Related Parties

The amount payable to promoters of the company which is unsecured.

NOTE : 16
TRADE PAYABLES

	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,123.30	3,125.61
Capital creditors	179.15	42.89
	3,302.45	**3,168.50**

Notes to Consolidated Financial Statement for the year ended March 31, 2020

NOTE : 17
OTHER FINANCIAL LIABILITIES

	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Retention deposits (Contractually to be refunded after 1 year from completion of work)	156.81	4.38
	156.81	**4.38**

NOTE : 18
PROVISIONS

	Non-Current		Current	
	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Provision for employee benefits (Refer note 33)				
Provision for gratuity	31.11	17.06	4.13	4.89
Provision for leave entitlements	71.29	51.80	23.07	11.79
	102.40	**68.85**	**27.20**	**16.68**

NOTE : 19
OTHER NON CURRENT LIABILITY

	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Contractee advances	2,594.25	3,080.64
Deposits	236.20	147.49
Other liability	1,940.82	1,101.42
	4,771.28	**4,329.55**

NOTE : 20
DEFERRED REVENUE

	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Deferred revenue	75.59	55.04
	75.59	**55.04**

NOTE : 21
BORROWINGS

		March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
I	**Secured loans**		
	Short term loans		
	- From bank [1]	703.82	1,131.48
	- From others	290.13	-
	Loans repayable on demand		
	- From bank [2]	10,737.29	11,167.16
II	**Unsecured loans**		
	- From bank [3]	761.69	-
	- From others	-	48.07
	- From related parties	757.95	1,091.09
		13,250.89	**13,437.80**

Notes to Consolidated Financial Statement for the year ended March 31, 2020

1 **Short term loan**

a) Includes short term loans from various banks against various immovable properties of company at Interest rate of 11.60% - 12.75% (PY 11.60% - 12.75%) due for rollover in next financial year. Presently there are no interest and principal overdue for repayment & outstanding for such loans taken by the company as on March 31, 2020. Includes short term loans from others at Interest rate of 15.00% due for rollover in next financial year. Presently there are no interest and principal overdue for repayment & outstanding for such loans taken by the company as on March 31, 2020.

b) Secured Loan of USD 125,000 (PY USD 125,000) @ 7% p.a. repayable after 2 years with interest secured against property.

2 **Loans repayable on demand**

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

Terms of Repayment:

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

b) i) Includes cash credit of ₹ 387.10 million (PY ₹ 342.20 million) is secured by first pari passu charge on the movable and immovable assets of the MEPL except the assets specifically charged for project/lease based finance. Interest rate ranging from 13% to 14%. ii) Includes cash credit & Working Capital Demand loan of ₹ 159.70 million (PY ₹ 196. million) is secured by first pari passu charge on the current assets and movable fixed assets (including Plant & machinery) of the MEPL except for the assets specifically charged against relevant term loans. Additionally secured by first pari passu charge on the office bearing no. F-27, Commerce Centre and personal guarantee of Managing Director of MEPL. Interest rate ranging from 14% to 15%.

c) Loan of ₹ 214.42 million (PY ₹ 177.19 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 ₹ 757.95 million (P.Y. ₹ 1,091.09 million).

NOTE : 22
TRADE PAYABLES

	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Total outstanding dues of micro enterprises and small enterprises [1]	23.92	16.90
Total outstanding dues of creditors other than micro enterprises and small enterprises	13,674.80	10,910.87
	13,698.72	**10,927.77**

1 The Group has ₹ 23.92 million (PY ₹ 16.90 million) due to suppliers under the Micro Small and Medium Enterprise Development Act, 2006, as at March 31, 2020. Principal amount due to suppliers under the Act is ₹ 15.24 million (P.Y. ₹ 13.18 million). Interest accrued and due to the suppliers on the above amount is ₹ 4.42 million (PY ₹ 0.78 million). Payment made to the suppliers (other than interest) beyond appointed day during the year is ₹ 19.21 million (PY ₹ 7.52 million). Interest paid to the suppliers under the Act is Nil (PY ₹ Nil). Interest due and payable to the suppliers under the Act towards payments already made is ₹ 0.79 million (PY ₹ 0.71 million). Interest accrued and remaining unpaid at the end of the accounting year is ₹ 0.79 million (PY ₹ 1.50 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 ₹ 3.48 million (P.Y. ₹ 2.22 million).

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

NOTE : 23
OTHER FINANCIAL LIABILITIES

	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Current maturities of long-term debt	513.56	494.30
Interest accrued but not due on borrowings	843.19	654.82
Interest accrued and due on borrowings	249.68	265.03
Unpaid dividend	-	0.21
Deposits	168.71	127.79
Others	0.12	-
	1,775.26	**1,542.15**

The group has transferred ₹ 0.21 million (PY ₹ 0.51 million) to Investor Education & Protection Fund as at March 31, 2020.

NOTE : 24
OTHER CURRENT LIABILITIES

		March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
(a)	**Other liabilities**		
	Contractee advances	7,229.46	5,010.75
	Other payables		
	Payable to employees	476.36	396.45
	Other liabilities	4,925.35	5,784.49
(b)	**Balance in current account**		
	(i) With subsidiaries, associates	0.17	-
	(ii) With joint ventures	417.58	882.42
		13,048.92	**12,074.11**

NOTE : 25
REVENUE FROM OPERATIONS

		March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
(a)	**Revenue/turnover**	24,641.46	21,602.43
	Add: Increase/(decrease) in work in progress	612.92	1,516.87
	Sale of goods	89.76	23.31
	Total turnover	**25,344.14**	**23,142.61**
(b)	**Other operating income**		
	Lease and service charges	1.14	1.91
	Miscellaneous operating income	826.85	477.53
		26,172.14	**23,622.05**

Notes to Consolidated Financial Statement for the year ended March 31, 2020

Disaggregation of revenue on the basis of	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Primary geographical market wise		
Domestic	23,358.60	21,750.69
International	2,813.54	1,871.36
Major product/service lines wise		
EPC	25,373.22	23,236.88
Real Estate	798.92	385.17
Others	-	-
Timing of revenue recognition wise		
At a point in time	1,716.67	887.91
Over period of time	24,455.47	22,734.14

NOTE : 26
OTHER INCOME

	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Gain on sale of assets (net)	14.99	53.84
Other non operating income	268.22	395.82
Interest income	924.67	864.11
Excess credit written back	849.41	437.23
	2,057.29	**1,751.00**

NOTE : 27
COST OF CONSTRUCTION

	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Stores, embedded goods and spare parts *		
Inventories at the beginning of the year	1,438.02	1,327.76
Add : Purchase (net)	4,847.59	2,670.71
	6,285.61	**3,998.47**
Less : Inventories at the end of the year	1,693.83	1,438.02
Consumption of stores and spares	**4,591.78**	**2,560.45**
Purchase of land / development rights	14.68	290.99
Corpus fund to society	23.01	48.29
Piece rate expenses (net)	12,469.94	11,177.06
Repairs to machinery	37.81	17.40
Transportation, hire etc.	623.90	509.85
Power, electricity and water charges	733.20	598.62
Project development cost	156.09	122.54
Technical consultancy fees	753.55	134.86
Other construction costs	1,639.68	1,141.86
	21,043.65	**16,601.92**

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

Notes to Consolidated Financial Statement for the year ended March 31, 2020

NOTE : 28
EMPLOYEE BENEFITS EXPENSE

	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Salaries, wages and bonus	1,726.22	1,466.03
Contribution to provident and other funds (Refer note no. 33)	127.06	103.62
Employee stock option (ESOP) (Refer note no. 34)	4.09	7.82
Staff welfare expenses	86.09	98.80
	1,943.45	**1,676.27**

NOTE : 29
FINANCE COSTS

	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Interest expense [1]	2,116.98	3,257.66
Other borrowing costs	545.71	445.01
	2,662.69	3,702.67

1 Interest capitalized of ₹ 137.11 million (P.Y. ₹ 125.33 million) towards fixed assets and project development expenses.

NOTE : 30
OTHER EXPENSES

	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Other administrative costs		
Rent	47.69	60.59
Repairs and maintenance - building	0.52	14.90
Insurance	88.43	83.58
Rates and taxes	244.42	219.99
Advertisement and selling expenses	2.20	11.18
Travelling and conveyance	49.55	55.57
Directors fees	1.78	1.30
Auditor's remuneration		
Audit fees	6.68	6.36
Certification	0.70	0.71
	7.38	**7.07**
Communication expenses	14.96	16.14
Printing and stationery	13.17	11.47
Legal and consultancy charges	343.96	334.30
Loss on sale of asset discarded	1.43	168.24
Irrecoverable debts written off / provided	103.91	303.68
Sewage water disposal	0.20	2.19
Net loss on foreign currency translation	44.21	26.98
Preliminary expenses written off	-	0.37
Other expenses	301.88	402.17
	1,265.69	**1,719.72**

Notes to Consolidated Financial Statement for the year ended March 31, 2020

NOTE : 31

EXCEPTIONAL ITEMS :

	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Investment / loans and advances written off	-	7.25
Gain on Conversion of loan liability in debt	-	(103.50)
Provision for impairment on loan and advances[a]	38.88	(795.27)
	38.88	**(891.52)**

a) Provision made for impairment based on indication of dimunition in value of advance to a entities.

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

A) Wholly owned (100%) Subsidiaries:

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

B) Other Subsidiaries:

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

C) Joint Ventures:

	Name of Joint Ventures	% of share
1.	Patel Michigan JV	10.00%
2.	CICO Patel JV	99.90%
3.	Patel SEW JV	60.00%
4.	PATEL –KNR J.V.	50.00%
5.	KNR – PATEL J.V.	49.00%
6.	PATEL – SOMA J.V	50.00%
7.	Patel – V Arks JV	65.00%
8.	Patel VI JV	51.00%
9.	Patel – Avantika – Deepika – BHEL	52.83%

10.	Patel – V Arks - Precision	60.00%
11.	Age Patel JV	49.00%
12.	PEL - UEIPL JV	60.00%
13.	PEL-PPCPL-HCPL JV	51.00%
14.	Onycon Enterprises	60.00%
15.	PEL-Gond JV	45.00%
16.	HES Shuthaliya JV	45.00%
17.	PEL-Parbati JV	52.00%
18.	NEC-PEL- JV	45.00%
19.	PEL - Ghodke	51.00%

Patel - SA JV, ERA Patel Advance Kiran JV, Era Patel Advance JV, Patel APCO JV and Patel - Siddhivinayak JV have not been consolidated as operations of these JV's are almost over and financials are not been prepared on a regular basis.

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

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

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

33 EMPLOYEE BENEFITS

I Brief description of the Plans

The Group provides long-term benefits in the nature of provident fund and gratuity to its employees. In case of funded schemes, the funds are recognized by the income tax authorities and administered through appropriate authorities/insurers. The Group's defined contribution plans are provident fund, employee state insurance and employees' pension scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) since the Group has no further obligation beyond making the contributions. The Group's defined benefit plans include gratuity benefit to its employees, which is funded through the Life Insurance Corporation of India. The employees of the Group are also entitled to leave encashment and compensated absences as per the Group's policy. The Provident fund scheme additionally requires the Group to guarantee payment of specified interest rates, any shortfall in the interest income over the interest obligation is recognized immediately in the consolidated statement of profit and loss as actuarial loss. Any loss/gain arising out of the investment with the plan is also recognized as expense or income in the period in which such loss/gain occurs.

Notes to Consolidated Financial Statement for the year ended March 31, 2020

II Disclosures for defined benefit plan based on actuarial reports as on March 31, 2020 and March 31, 2019:

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

₹ Million

	Gratuity (Funded)	Gratuity (Non-funded)	Leave Encashment (Non-funded)
Current service cost	14.86 (14.45)	5.22 (4.21)	23.02 (20.34)
Interest cost (net)	3.35 (2.51)	1.46 (1.54)	4.73 (4.86)
Net actuarial (gain) / losses	10.61 (-1.59)	1.86 (-4.46)	6.49 (-25.24)
Total expenses recognized in the statement of profit and loss	28.82 (15.37)	8.54 (1.30)	34.24 (0.04)
(ii) Reconciliation of the present value of defined benefit obligation and the fair value of assets (amount recognized in balance sheet):			
Present value of funded obligation as at the year end	(118.80) (-92.88)	(26.50) (-18.80)	(89.73) (-60.76)
Fair value of plan assets as at the year end	51.30 (49.85)	- -	- -
Funded liability recognized in the balance sheet	(67.50) (-43.03)	(26.50) (-18.80)	(89.73) (-60.76)
(iii) Changes in defined benefit obligation :			
Liability at the beginning of the year	92.88 (82.22)	18.80 (19.75)	60.76 (62.45)
Interest cost	7.24 (6.40)	1.46 (1.54)	4.73 (4.86)
Current service cost	14.86 (14.45)	5.22 (4.21)	23.02 (20.34)
Benefit paid	(4.35) (-7.59)	(1.41) (-2.24)	(3.55) (-1.65)
Actuarial (gains) / losses on obligations	8.18 (-2.60)	2.43 (-4.46)	6.49 (-25.24)
Liability at the end of the year	118.80 (92.88)	26.50 (18.80)	91.46 (60.76)
(iv) Changes in the fair value of plan assets:			
Fair value of plan assets at the beginning of the year	49.85 (49.98)	- -	- -
Expected return on plan assets	3.88 (3.89)	- -	- -
Contributions by the employer	4.35 (4.58)	- -	- -
Benefit paid	(4.35) (-7.59)	- -	- -
Actuarial gain on plan assets	(2.43) (-1.01)	- -	- -
Fair value of plan assets at the end of the year	51.30 (49.85)	- -	- -
Total actuarial gain to be recognized	10.61 (-1.59)	- -	- -

₹ Million

		Gratuity (Funded)	Gratuity (Non-funded)	Leave Encashment (Non-funded)
(v)	**Actual return on plan assets**			
	Expected return on plan assets	3.88	-	-
		(3.89)	-	-
	Actuarial gain on plan assets	(2.43)	-	-
		(-1.01)	-	-
	Actuarial gain on plan assets	1.45	-	-
		(2.88)	-	-
(vi)	The Group expects to contribute ₹ 47.31 million (P.Y.₹ 42.86 million) to gratuity funded plan in FY 2020-21.			
(vii)	**Percentage of each category of plan assets to total fair value of plan assets:**			
	Insurer managed funds	100%	-	-
		100%	-	-
(viii)	**Sensitivity analysis for significant assumption is as below :**			
	Discount rate	6.86%	6.82%	6.89%
		(7.79%)	(7.79%)	(7.79%)
	Rate of increase in compensation levels	5.00%	5.00%	5.00%
		(5.00%)	(5.00%)	(5.00%)
	Expected rate of return on plan assets	6.86%	-	-
		(7.79%)	-	-
	Attrition rate	2.00%	2.00%	2.00%
		(2.00%)	(2.00%)	(2.00%)
	Average Age of retirement (years)	60	58	58
		(60)	(58)	(58)
(ix)	**Experience adjustments**			
	On plan obligation (gain)/loss	(0.47)	(0.12)	0.41
		(2.52)	(-3.03)	(-25.27)
	On plan asset (loss)/gain	2.43	-	-
		(-1.01)	-	-
(x)	**Expected Employer's Contribution in future years**			
	1 years	20.31	3.77	
		(15.08)	(3.32)	
	Between 2 to 5 years	25.93	4.96	
		(22.36)	(1.87)	
	Beyond 5 years	201.88	62.79	
		(179.14)	(-16.13)	
	The weighted average duration of the defined benefit plan obligation at the end of the reporting period (years)	10	18	
		(10)	(16)	
(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 ₹ 127.06 million (P.Y. ₹ 103.62 million)

Notes to Consolidated Financial Statement for the year ended March 31, 2020

34 SHARE BASED PAYMENTS (IND AS 102)

In term of the approval of Nomination and Remuneration Committee (NRC), the company on February 14, 2018 has granted 2,00,000 option under the group existing ESOP plan. The aforesaid Grant is made under "Patel Engineering Employees Stock Option Plan" dated August 14, 2015 and in accordance with the provision of SEBI (Share Based Employee Benefits), Regulation 2014.

a) **Employee Stock Option Scheme**

Particulars	ESOP Scheme
Number of Option granted	200,000
Vesting Plan	4 years (25% every year after 1 year from date of grant)
Exercise Period	6 months from the date of vesting
Grant date	February 14, 2018
Exercise Price (₹ per option)	1
Weighted average Fair value on the date of grant option (in ₹ per shares)	79.86
Method of Settlement	Equity

b) **Movement of Option Granted**

Particulars	As at March 31, 2020 Nos.	As at March 31, 2019 Nos.
Outstanding at the beginning of the year	200,000	200,000
Grant during the year	-	-
Excercised during the year	50,000	-
Cancelled during the year	-	-
Lapsed during the year	-	-
Outstanding at the end of the year	150,000	200,000
Exercisable at the end of the year	50,000	50,000
Weighted average life of options	2 years	3 years

c) **Fair valuation:**

The fair value on the grant date is determined using "Black Scholes Merton Model", which takes into account exercise price, term of the option, share price at grant date and expected price volatility of the underlying shares, expected dividend yield and risk free interest rate for the term of the option.No options were granted during the year. Weighted Average Fair value of the options granted previous year ₹ 79.86/-.

The Key assumptions in the Black Scholes Merton Model for calculating fair value as on the date of grant is below:

i)	Share price at grant date	₹ 80.70/-
ii)	Weighted average exercise price	₹ 1/-.
iii)	Grant date	February 14, 2018
iv)	Vesting Period	4 years (25% every year after 1 year from date of grant)
v)	Expected price volatility of Company's share	50%
vi)	Expected dividend yield	Nil
vii)	Weighted average Risk free interest rate	7.02%
viii)	Option life	Vesting period + exercise period

35 LEASE

Disclosure as per IND AS 116

Amount recognised under statement of profit and loss

₹ Million

Particulars	2019-20
Depreciation	142.28
Interest on lease liability	109.27
Expenses related to Short term Leases	47.69
Total Expenses	**299.24**

Disclosure as per IND AS 17

Where the Company is lessee:

a) Operating Leases:

The Group has taken various construction equipments under non cancellable operating leases. The future minimum lease payment in respect of these as at March 31, 2019 are as follows:

₹ Million

Minimum lease obligation payable as at March 31	2019
a) within one year of the Balance Sheet date	120.16
b) due in a period between one year and five years	108.79
c) due after five years	-

The Operating lease arrangement, are renewable on a periodic basis and it provides for an option to the Group to renew the lease at the end of the non cancellable period. There is no exceptional / restrictive covenants under the lease arrangement.

b) Finance Leases:

Assets acquired on finance lease comprises plant and equipment & vechiles. The leases have a primary period, which is fixed and non- cancellable. The Group has an option to renew the lease for a secondary period.

The Minimum lease rental and the present value of minimum lease payments in respect of assets acquired under finance leases are as follows:

₹ Million

Obligation payable as at March 31,	Minimum Lease Payment	Present value of Minimum lease payment
	2019	2019
a) within one year of the Balance Sheet date	35.00	-
b) due in a period between one year and five years	356.19	280.00
c) due after five years	-	-
Total (a + b + c)	**391.19**	**280.00**
Less: Future Finance Charges	111.19	-
Present value of minimum lease payments	**280.00**	**280.00**

Notes to Consolidated Financial Statement for the year ended March 31, 2020

36 EARNING PER SHARE (EPS)

	2020 ₹ Million	2019 ₹ 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	111.31	1,541.46
Weighted average number of equity shares for basic EPS (in No)	285,314,066	158,803,177
Add: Weighted average potential equity shares		
- On issue of optionallly convertible debentures*	469,132,208	214,669,193
- On issue of Zero Coupon optionallly convertible Preference shares*	150,811	-
Weighted average number of equity shares for diluted EPS (in No)	754,597,085	373,472,370
Face value of Share ₹	1	1
Earning Per Share (Basic) ₹	0.39	8.43
Earning Per Share (Diluted) ₹	0.39	4.58

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

37 RELATED PARTY DISCLOSURE

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

A. Name of Related Parties and nature of relationship :-

Direct Associates:

1	ACP Tollways Pvt. Ltd.	4	Raichur Sholapur Transmission Company Pvt. Ltd.
2	Bellona Estate Developers Ltd. (BEDL)	5	PAN Realtors Pvt.Ltd.
3	Hitodi Infrastructure Private Ltd (Formally known as Hitodi Infrastructure Ltd)		

Associate of Patel Engineering Infrastructure Ltd.

1 Patel KNR Heavy Infrastructure Ltd.

Joint Ventures: (Refer note 32 (c))

Partnership

1. AHCL PEL
2. Patel Advance JV

Others

1. Raahitya Constructions Pvt. Ltd. (erstwhile Patel Corporation LLP)
2. Praham India LLP
3. Patel Realty - Ashoka Developers LLP (Struck off as on January 10, 2019)

B. Key Management Personnel (KMP)

Mr. Rupen Patel	Chairman and Managing Director
Mr. Sunil Sapre	Whole Time Director
Mr. Chittaranjan Kumar Singh	Whole Time Director, Operations
Ms. Kavita Shirvaikar	Whole Time Director and Chief Financial Officer
Ms. Shobha Shetty	Company Secretary

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

₹ Million

Particular	Associates/joint ventures / partnership/others	
	2019-20	2018-19
- Misc Receipt	4.21	10.29
- Loans/advances given	80.34	802.87
- Loans / advances recovered	133.68	69.05
- Corporate guarantee outstanding as at the end of the year	5,390.77	4,860.23
- Bank guarantee outstanding as at the end of the year	549.72	549.72
- Outstanding balance included in current/ non current assets	909.29	1,296.36
- Outstanding balance included in current / non current liabilities	476.11	2,782.34
- Interest income	6.36	20.03
- Reimbursement of expenses from	12.97	250.60
- Provision for impairment of loans and advances	-	916.03
- Sundry balances written off	26.63	0.83
- Sale of asset	-	0.01
- Repayment of Loan	1,500.00	-
- Preferntial allotement of shares	539.97	-

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

₹ Million

Particular	Name of the Company	2019-20	2018-19
- Mise Receipt	Patel Michigan JV	4.13	2.15
	CICO Patel JV	-	0.00
- Loans/advances given	Raichur Solapur Transmission Company Pvt. Ltd.	0.01	696.14
	Patel Sew JV	80.32	84.42
- Loan/ advances recovered	Hitodi Infrastructure Ltd	-	0.06
	Raichur Solapur Transmission Company Pvt. Ltd.	-	1.94
	Patel Sew JV	121.70	39.73
	Patel KNR JV	-	11.40
- Interest income	Hitodi Infrastructure Ltd	-	16.41
	Raichur Solapur Transmission Company Pvt. Ltd.	4.35	1.66
	Patel Michigan JV	1.84	2.04

Notes to Consolidated Financial Statement for the year ended March 31, 2020

₹ Million

Particular	Name of the Company	2019-20	2018-19
	Patel Sew JV	-	0.31
	CICO Patel JV	-	1.09
- Reimbursement of Expenses	Hitodi Infrastructure Ltd	8.86	249.18
	Patel Michigan JV	3.43	1.57
	CICO PATEL JV	-	0.00
- Provision for impairment of loans and advances	Bellona Estate Developers Ltd.	-	850.00
	Patel Advance JV	-	66.03
- Sundry balances written off	Bellona Estate Developers Ltd.	26.63	0.83
- Sale of assets	Patel Sew JV	-	0.01
- Repayment of Loan	Raahitya Constructions Pvt. Ltd	1,500.00	-
- Preferntial allotement of shares	Praham India LLP	539.97	-

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

₹ Million

Particular	2019-20	2018-19
Managerial remuneration	73.99	77.09
Salary and contribution to provident fund	4.16	3.91
Loan taken	-	2.50
Loan repaid	300.00	3.50
ESOP	4.09	7.82
Outstanding balance payable	28.06	317.67
Outstanding balance receivable	4.05	4.40

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, 2020			
	Business Segments			
	EPC	Real Estate	Others	Total
Segment revenue	25,373.22	798.92	-	26,172.14
Segment results	288.02	156.13	(59.80)	384.35
Segment assets	58,210.73	12,426.69	14,566.82	85,204.23
Segment liabilities	51,307.84	4,381.70	3,713.76	59,403.30
Addition to fixed assets	944.76	0.20	840.31	1,785.27
Segment depreciation	659.48	0.99	1.39	661.86

₹ Million

Particulars	As at March 31, 2019			
	Business Segments			
	EPC	Real Estate	Others	Total
Segment revenue	23,236.88	385.17	-	23,622.04
Segment results	1,338.21	(23.02)	(220.35)	1,094.84
Segment assets	66,094.28	6,515.17	9,396.42	82,005.87
Segment liabilities	50,130.61	2,753.02	5,788.37	58,672.00
Addition to fixed assets	5,668.41	18.07	2.56	5,689.03
Segment depreciation	499.82	0.09	2.04	501.95

Geographical Segment :

₹ Million

Particulars	As at March 31, 2020		
	Within India	Outside India	Total
Revenue	23,358.60	2,813.54	26,172.14
Non current assets	33,214.16	1,844.32	35,299.77

₹ Million

Particulars	As at March 31, 2019		
	Within India	Outside India	Total
Revenue	21,750.69	1,871.36	23,622.04
Non current assets	33,214.16	391.03	33,605.19

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, 2020	As at March 31, 2019
Revenue from top customer	4,356.42	2,285.82
Revenue from top five customers	12,369.02	7,867.95

39 World Health Organisation (WHO) declared outbreak of Corona virus disease (COVID -19) a global pandemic in March, 2020. Consequent to this, Government of India declared nationwide lockdown on March 23, 2020. This has impacted the normal business operations of the Group by way of interruption in project execution, supply chain disruption etc.

Regarding estimation of uncertainties relating to this pandemic, the Group has considered various sources of information, internal and external, including economic forecasts, Government measures and industry reports, upto the date of approval of the financials statements, in determining the impact on various elements of its financial statements. The group has applied assumptions, judgements, estimates; used the principles of prudence and based on the same, the group expects to recover the carrying amount of trade receivables incuding unbilled receivables and workdone, investments and other assets. The eventual outcome of the pandemic may be different from those estimated on the date of approval of these financial statements, the Group will continue to monitor developments to identify significant uncertainties in future periods, if any.

Notes to Consolidated Financial Statement for the year ended March 31, 2020

40 Confirmation letters have been sent in respect of sundry debtors / loans and advances / sundry creditors of which certain confirmations have been received which are accordingly accounted and reconciled. The remaining balances have been shown as per books of accounts and are subject to reconciliation adjustments, if any. In the opinion of the Management, the realizable value of the current assets, loans and advances in the ordinary course of business will not be less than the value at which they are stated in the balance sheet. In respect of subsidiaries, debit and credit balances are subject to confirmation from creditors, debtors, sub contractors and loans/advances/deposits. The management does not expect any material difference affecting the consolidated financial statements for the year.

41 a) Unbilled work in progress includes stock of land under development (including held in the name of directors/relatives of directors/employees, as nominees of the company).

b) Arbitration awards received in favour of the Group amounting to ₹ 359.86 million (P.Y. ₹ 49.74 million) is accounted for as construction Receipts.

42 Arising out of proceedings initiated under section 132 read with Section 153C/143 (2) of Income Tax Act, 1961 by Income Tax Authorities, the Patel Energy Resources Limited (PERL) had offered to reduce by way of disallowances, an aggregate sum of ₹ 795.77 million (As on 31.03.2015 - ₹ 795.77 million) from pre-operative expenses / Land Development expenses incurred by PERL in the past in setting up the Power Plant at Nagapattinam, Tamilnadu. Deputy Commissioner of Income-Tax (DCIT) vide his order dated 25.03.2013 has also held that the above pre-operative expenses, amounting to ₹ 795.77 million (As on 31.03.2015 - ₹ 795.77 million) has to be reduced from the Capital Work in Progress (CWIP) based on the above submissions and as well as other grounds. However, in the opinion of management, considering the realizable value of land, no adjustment is required to be carried out. Due to the above mentioned reduction of Land Development Expenses, for tax purposes, the value of fixed assets reckoned subsequent to allocation of Land Development / Pre-operative expenses to core assets, for computation of depreciation wherever applicable, will be lower to the extent of ₹ 795.77 million (As on 31.03.2015 - ₹ 795.77 million).

43 Ministry Of Coal (MOC) after keeping the request for change in location of the proposed power plant from Bhavnagar area to Pipavav area with in Gujarat State pending for 16 months declined it after the LOA expired. Consequent upon the expiry of Letter Of Assurance (LoA), South Eastern Coal Limited (SEC) invoked and encashed three Bank Guarantees aggregating to ₹196.64 millions issued as Commitment Guarantees against LOA. Patel Energy Limited has filed a writ petition at Delhi High Court challenging the decision of MOC refusing to approve the change of location of the said power plant, and also for quashing the unlawful invocation of bank guarantee by SEC and has sought a further direction that the change of location be approved and the LOA be extended in view of the delay by MOC. In the mean time Patel Energy Limited has represented the matter to the Honorable Minister for Power & Coal and CEA recommended the case to be reviewed and the SLC directed that the case be put up on file for review in Ministry of Coal. The matter is under process in Ministry of Coal. The petition in Delhi High Court was last heard on 22.02.2016 and the same is posted for final hearing on 11.08.2016. Patel Energy Limited is confident that requisite clearance shall be obtained and hence the accounts of the Patel Energy Limited is continued to be complied on " Going Concern" basis.

44 In respect of 54.12 acres of land acquired by the PEL Power Limited in earlier years, the original owner of the land had filed a case against the vendor from whom PEL Power Limited had purchased these lands questioning his authority to transfer the property to the PEL Power Limited. PEL Power Limited is legally advised that the title to the PEL Power Limited valid and good and there can be no claim against the PEL Power Limited. Notwithstanding the above PEL Power Limited has impleaded itself in the case in order to effectively defend its ownership in the said land.

45 **Derivative transactions :**

Foreign currency exposure that are not hedged by derivative instruments as on March 31, 2020 amounting to ₹ 1872.27 million (P.Y ₹ 704.32 million).

Currency	Foreign currency exposure outstanding at ₹ million	
	March 31, 2020	March 31, 2019
USD	2,311.84	1,248.60
EURO	(526.82)	(483.27)
SGD	(8.20)	(7.99)
JPY	25.06	22.69
MUR	76.39	72.51
LKR	16.40	15.26
NPR	(22.40)	(163.48)

46 The Group's pending litigations comprise of claims by or against the Group primarily by the customers / contractors/suppliers, etc. and proceedings pending with tax and other government authorities. The Group has reviewed its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its consolidated financial results. In respect of litigations, where the management assessment of a financial outflow is probable, the Group has made adequate provision of ₹ 29.99 million (PY ₹ 6.14 million) and appropriate disclosure for contingent liabilities is given.

47 The Group has invested in step down subsidiary, Le Salines Development Ltd ("LSDL") undertaken a construction project in Mauritius in the year 2009-10 . LSDL had signed an lease agreement with Ministry of Housing and Land Develoment (MOHL)Government of Mauritius (GOM) on December 11, 2009 for development of a Real Estate Development Project called NEOTOWN in Mauritius in the year 2009-10 and incurred cost of ₹ 939.50 million (P.Y. 970.38 million). Subsequently all of a sudden on February 11, 2015 GOM had verbally informed about the termination of lease agreement between LSDL and MOHL without assigning any reason. Formal communication was received by LSDL on June 4, 2015 about the termination of lease from the GOM. Management was of the view that as per the agreement lease cannot be terminated on the grounds of clause mentioned in the termination letter. In this regard a notice had been sent to MOHL Government of mauritius on July 1, 2016 by LSDL contesting wrongful termination.. The Group did not receive any reply to this letter. The Group has invoked an arbitration under Promotion and Protection of Investment Treaty signed between India and Mauritius against GOM and the group is confident of getting compensation from GOM.

48 PEL Port Private Ltd was primarily incorporated to build a captive Port to cater to the needs of PEL Power Ltd. which is engaged in setting up a Merchant Power Plant with capacity of 1045MW at Maruthampallam Village, Nagapattinam District in Tamil Nadu. There is a delay in commencement of construction of Power Plant due to delay in getting Consent for Establishment from Government of Tamilnadu. PEL Power Ltd. is confident in getting the clearance in the near future. Since the Captive Port project is closely interlinked with the above Power Project and in view of the long term potential of that project, the accounts of PEL Port Private Ltd. are compiled on "Going Concern" basis.

49 Contingent Liabilities

(a) Commitment for capital expenditure is ₹ 149.62 million (P.Y. ₹ 165.79 million), advance paid ₹ 39.40 million (P.Y. ₹ 9.67 million). The Group is under commitment to construct specific area for land owner.

(b) Counter indemnities given to Banks and others in respect of secured guarantees, etc. on behalf of subsidiaries and others given by them in respect of contractual commitments in the ordinary course of business is ₹ 14,173.91 million (P.Y. ₹ 13,346.87 million) (including Customs ₹ 42.88 million (P.Y. ₹ 23.01million). Corporate guarantees / letter of credit on behalf of subsidiaries and others is ₹ 5390.77 million (P.Y. ₹ 7050.18 million). Net off Share of JV partner & provisions already considered in books .

Notes to Consolidated Financial Statement for the year ended March 31, 2020

(c) Client has claimed an amount of ₹ 210.8 million (P.Y. ₹ 210.8 million) from Group which is pending at the Hon'ble appeal court. However the management feels that the likelihood of outflow of resources is remote.

(d) Service tax and Goods and Service tax liability that may arise on matters in appeal ₹ 1471.02 million (P.Y. ₹ 2,504.10 million) and advance paid ₹ 9.45 million (P.Y. ₹ 82.92 million). Out of the above, ₹ 760.19 million (P.Y. ₹ 1,881.53 million) is contractually recoverable from the Clients.

(e) Sales tax ₹ 65.49 million (P.Y. ₹ 74.67 million) (Advance paid ₹ 3.58 million (P.Y. ₹ 1.60 million)), Cess ₹ 121.69 million (P.Y. ₹ 121.58 million), Custom Duty ₹ 17.62 million (P.Y. ₹ 17.62 million) (Advance paid ₹ 8.46 million (P.Y. ₹ 8.46 million)).

(f) Income tax liability that may arise on matters in appeal ₹ 2,157.49 million (P.Y. ₹ 1,592.12 million).

(g) Provident fund liability that may arise on matter in appeal ₹ 14.35 million (P.Y. ₹ 9.52 million) and advance Paid ₹ 14.35 million (P.Y. ₹ 2.38 million)

(h) The Group is subject to legal proceeding and claims, which have arisen in the ordinary course of business, including certain litigation for land acquired by it for construction purpose, the impact of which is not quantifiable. These case are pending with various courts and are scheduled for hearings. After considering the circumstances, management believes that these case will not adversely effect its consolidated financial statement.

(i) A part of the immovable property belonging to the Group shown under inventories has been offered as security in favour of a bank against credit facilities availed by a strategic partner.

(j) The Group has provided a "cost overrun undertaking" for its associates Bellona Estate Developers Limited and its step-down subsidiay Dirang Energy Private Limited to its lenders.

(k) Entry Tax liabilities on purchase of goods of ₹ 7.45 million (P.Y. ₹ 7.45 million), against which amount of ₹ 0.50 million (P.Y. 0.50 million and bank guarantee for balance amount) have been paid.

(l) On Settlement with a vendor, Group has given flats of ₹ 50.00 million (P.Y. ₹ 50.00 million) against his outstanding due & also given assurance that if re-sell price of that flat is lower than settlement price then company will compensate that differences.

(m) In respect of Shreeanant Construction Private Limited, a SLP was filed in the Supreme Court by the State Govt. of Arunachal Pradesh against the judgment of the Hon'ble Guwahati High Court in favour of the M/s Patel Engineering Ltd. abolishing the Arunachal Pradesh Goods Taxation Act, 2005 as it was unconstitutional in nature. Still the matter is pending before the Supreme Court and hearings are going on. But in case of adverse judgment M/s Patel Engineering Ltd. will transfer Entry Tax liability of Ka HEP, Package-1 and there will be outflow of resources to that extent. However the management feels that likelihood of outflow of resources is remote. A Writ petition was filed by M/s Patel Engineering Ltd. in the Guwahati High Court challenging the validity of newly enacted Arunachal Pradesh Entry Tax Act,2010. The Hon'ble Court has granted interim stay on the payment of Entry Tax subject to the furnishing of Bank Guarantee of the equivalent amount. Hence the management is presently not paying entry tax on import of goods from outside of Arunachal Pradesh rather M/s Patel Engineering Ltd. has offered Bank Guarantee of the same value. The matter is still pending and final judgment is yet to be delivered. But in case of adverse judgment the contractee M/s Patel Engineering Ltd. will transfer Entry Tax liability of KaHEP, Package-1 and there will be outflow of resources to that extent. However the management feels that likelihood of outflow of resources is remote.

(n) Trade receivables to the extent of ₹ 181.10 million (PY. ₹ 405.23 million) have been discounted with bank on recourse basis.

Notes to Consolidated Financial Statement for the year ended March 31, 2020

50 Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiaries / associates / joint ventures:

Name of the entity		Net Assets i.e. total assets minus total liabilities		Share in profit and loss	
		As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount
Parent					
Patel Engineering Limited		100.91%	25,700.83	817.59%	363.49
Subsidiaries					
Indian					
1	Apollo Buildwell Private Limited	(0.15%)	(37.00)	(0.10%)	(0.04)
2	Arsen Infra Private Limited	0.00%	0.20	(0.21%)	(0.10)
3	Lucina Realtors Private Limited	0.00%	0.50	(0.11%)	(0.05)
4	Hera Realcon Private Limited - (97.13%)	(0.00%)	(1.01)	(0.10%)	(0.04)
5	PBSR Developers Private Limited	(0.23%)	(59.52)	95.62%	42.51
6	Patel Energy Resources Limited	22.92%	5,837.80	(4.88%)	(2.17)
7	Patel Engineering Infrastructure Limited	0.50%	127.98	89.63%	39.85
8	Patel Concrete and Quarries Private Limited	0.00%	0.58	(0.08%)	(0.03)
9	Friends Nirman Private Limited	0.09%	22.40	(0.55%)	(0.25)
10	Zeus Minerals Trading Private Limited	0.00%	0.18	(0.09%)	(0.04)
11	Patel Patron Private Limited	0.54%	138.75	(0.23%)	(0.10)
12	Patel Engineers Private Limited	0.36%	92.48	(1.11%)	(0.49)
13	Pandora Infra Private Limited	0.27%	67.83	(2.19%)	(0.97)
14	Shashvat Land Projects Private Limited	0.30%	77.41	(0.21%)	(0.09)
15	Vismaya Constructions Private Limited	0.21%	53.88	(0.16%)	(0.07)
16	Bhooma Realties Private Limited	0.49%	124.00	11.94%	5.31
17	Patel Lands Limited	0.00%	0.29	(0.05%)	(0.02)
18	Energy Design Private Limited	(0.27%)	(69.34)	(0.23%)	(0.10)
19	Shreeanant Construction Private Limited	(0.18%)	(46.62)	(25.27%)	(11.24)
20	Michigan Engineers Private Limited	4.98%	1,269.28	279.91%	124.45
21	Hampus Infrastructure Pvt. Ltd.	(0.00%)	(0.09)	(0.25%)	(0.11)
Foreign					
1	Patel Engineering Inc.	0.79%	200.44	4.28%	1.90
2	Patel Engineering (Mauritius) Limited	(1.07%)	(273.68)	(104.98%)	(46.67)
3	Patel Engineering (Singapore) Pte. Limited	(3.02%)	(767.97)	(196.24%)	(87.24)
4	Waterfront Developers Limited	(1.47%)	(373.92)	(324.13%)	(144.11)
5	Patel Engineering Lanka Limited	(0.01%)	(2.44)	(2.78%)	(1.24)
Non-controlling interest		1.30%	330.98	88.40%	39.30
Associate (as per proportionate consolidation/Investment as per the equity method)					
1	ACP Tollways Private Limited	1.60%	407.73	(545.51%)	(242.53)
2	Raichur Sholapur Transmission Company Limited	0.95%	241.01	2.15%	0.96
3	Hitodi Infrastructure Limited	0.00%	-	0.00%	-
4	Pan Realtors Private Limited	0.00%	-	0.00%	-

Notes to Consolidated Financial Statement for the year ended March 31, 2020

51 Category-wise classification of financials instruments

₹ Million

	Non Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial assets measured at FVTPL				
Investment	0.52	0.52		
Financial assets measured at amortized cost				
Investments	789.23	1,163.91	266.00	150.00
Trade receivables	6,522.32	6,396.64	3,275.06	2,295.99
Loans	853.34	655.81	845.02	800.20
Deferred finance cost	75.82	79.79	-	-
Secured deposit	538.28	237.10	913.49	116.67
Cash and cash equivalents	-	-	1,132.49	1,244.79
Other bank balances	-	-	4.76	0.21

₹ Million

	Non Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial liabilities measured at amortized cost				
Borrowings	9,193.78	13,047.97	13,250.89	13,437.80
Trade payables	3,302.45	3,168.50	13,698.72	10,927.77
Other financial liabilities	156.81	4.38	1,775.26	1,542.15

52 Fair value measurements

i) The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities :

As at March 31, 2020

₹ Million

Financial asset measured at FVTPL	Fair value as at March 31, 2020	Fair Value hierarchy		
		Quoted prices in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
Investments	0.52	0.52	-	-

As at March 31, 2019

₹ Million

Financial asset measured at FVTPL	Fair value as at March 31, 2019	Fair Value hierarchy		
		Quoted prices in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
Investments	0.52	0.52	-	-

ii) **Financial instrument measured at amortized cost**

The carrying amount of financial assets and liabilities measured at amortized cost in the consolidated financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

53 Financial risk management

The Group's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Group's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Group is exposed to market risk, credit risk and liquidity risk. The board of directors ('Board') oversee the management of these financial risks through its risk management committee. The risk management policy of the Company formulated by the risk management committee, states the Company's approach to address uncertainties in its endeavor to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of the Company's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate financial risks in order to minimize potential adverse effects on the Group's financial performance.

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

1) Market risk

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

a) Interest rate risk

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

Interest rate sensitivity

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

₹ Million

Change in interest rate	Effect on profit before tax		Effect on total equity	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
+50 basis point	(84.68)	(130.31)	(84.68)	(130.31)
-50 basis point	84.68	130.31	84.68	130.31

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Group does not enter into any derivative instruments for trading or speculative purposes.

Notes to Consolidated Financial Statement for the year ended March 31, 2020

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

₹ Million

Currency	Liabilities		Assets	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
EURO	563.60	527.01	36.78	43.74
JPY	-	-	25.06	22.69
LKR	-	-	16.40	15.26
MUR	-	-	76.39	72.51
NPR	3,081.12	2,881.95	3,058.71	2,718.47
USD	16.71	12.00	2,328.55	1,260.60
SGD	8.20	7.99	-	-

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

Sensitivity analysis

The Group is mainly exposed to changes in USD & EURO, as NPR is to be repaid at fixed rate; hence the Group is not exposed to any exchange rate fluctuation. The below table demonstrates the sensitivity to a 5% increase or decrease in the USD & EURO against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Group as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

₹ Million

Change in EURO rate	Effect on profit before tax		Effect on total equity	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
+5%	(26.18)	(24.16)	(26.18)	(24.16)
-5%	26.18	24.16	26.18	24.16

₹ Million

Change in USD rate	Effect on profit before tax		Effect on total equity	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
+5%	115.59	62.43	115.59	62.43
-5%	(115.59)	(62.43)	(115.59)	(62.43)

c) Equity price risk

The Group's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

Price sensitiviy

The following table demonstrates the sensitiviy to a reasonably possible change in price of investment measured at FVTPL with other variables held constatnt. The Company's profit before tax is affected throgh 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, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
+5%	0.03	0.03	0.03	0.03
-5%	(0.03)	(0.03)	(0.03)	(0.03)

2) Credit risk

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

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

3) Liquidity risk

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

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

₹ Million

Particulars	Less than 1 year	1 - 5 years	More than 5 years	Total
At 31st March, 2020				
Borrowings	13,764.45	4,781.41	4,412.37	22,958.23
Lease Liability	183.23			183.23
Trade payables	13,698.72	3,302.45	-	17,001.17
Other financial liability	1,261.69	156.81	-	1,418.50
At 31st March, 2019				
Borrowings	14,851.95	3,391.80	5,801.97	24,045.72
Trade payables	10,927.77	3,168.50	-	14,096.27
Other financial liability	1,047.85	4.38	-	1,052.23

54 Capital Management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Group. The primary objective of the Group when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. As at March 31, 2020, 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

Notes to Consolidated Financial Statement for the year ended March 31, 2020

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, 2020	As at March 31, 2019
Total debt	22,958.23	26,980.07
Total equity	25,469.95	22,767.12
Total debt to total equity ratio (gearing ratio)	0.90	1.19

In order to achieve this overall objective, the Grouup's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements.

55 Ministry of Corporate Affairs has notified Ind AS 116 "Leases" which is effective from April 01, 2019. Pursuant to this, the group has applied this standard to all lease contract existing on April 01, 2019 using the retrospective modified approach with the cumulative effect at the date of initial application. On that date, the group recognised a lease liability measured at the present value of the remaining lease payments using the lessee's incremental borrowing rate as at April 01, 2019 and corresponding Right of Use (ROU) asset measured at an amount equivalent to lease liability (C8(b)(ii)). Therefore, there is no effect of adoption Ind AS 116 on retained earnings as at April 01, 2019. Thus, on transition, the adoption of the new standard resulted In recognition of ROU asset of ₹ 281.91 million and a lease liability of ₹ 281.91 million.

In view of this, the operating lease rent which was hitherto accounted under 'Other expenses' in previous periods has now been accounted as depreciation and finance costs. The financial results of current year in an increase of ₹109.27 million and ₹28.96 million in depreciation for the right of use assets and finance costs on lease liability respectively and decrease in operating lease rent cost of ₹130.88 million. Accordingly the profit and Basic EPS for the current year is lower by ₹ 7.35 million and Re 0.03 respectively. To this extent, the performance of the current year is not comparable with previous year.

56 a) Previous year's figures have been regrouped, rearranged and reclassified wherever necessary.

b) Figure in brackets indicates amounts pertaining to previous year.

As per our report of even date

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

Anil A. Mehta
Partner
Membership No. 030529

Place: Mumbai
Date : June 26, 2020

For and on behalf of Board

Rupen Patel
Chairman &
Managing Director
DIN : 00029583

Kavita Shirvaikar
Chief Financial Officer &
Director
DIN : 07737376

Sunil Sapre
Director
DIN : 05356483

Shobha Shetty
Company Secretary
Mem. No.: F10047

Independent Auditors' Report

To the Members of Patel Engineering Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Patel Engineering Limited which includes joint operations ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information. These also include financials of the Real Estate Division Branch of the Company for the year ended on that date audited by the branch auditor of the Company's branch located at Mumbai.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

The independent Branch Auditors of, Patel Engineering Ltd (Real Estate Division), have without qualifying their audit report on the Standalone Ind AS financial statement for the year ended March 31, 2020 have drawn attention with respect to Note No. 46 regarding Company's investment and loans and advances in Waterfront Developers Limited, where notice dated June 04, 2015 was received from Government of Mauritius for the termination of Lease Agreement entered on December 11, 2009 with Les Salines Development Limited (a step down subsidiary of Waterfront). In this case the process of Arbitration has been initiated with the Government of Mauritius.

Our opinion is not modified in respect to this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial Statements.

<table>
<tr><th>Sr. No.</th><th>Key Audit Matter</th><th>Auditor's Response</th></tr>
<tr><td>1</td><td>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers"
The application of the revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, the revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.
Refer Notes 1.j and 25 to the Standalone Financial Statements.</td><td>Principal Audit Procedures
Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:
Evaluated the design of internal controls relating to implementation of the revenue accounting standard.
Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, performance and inspection of evidence in respect of operation of these controls.
Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the revenue accounting standard
Selected a sample of continuing and new contracts and performed the following procedures:
Read, analyzed and identified the distinct performance obligations in these contracts.
Compared these performance obligations with that identified and recorded by the Company.
Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation
Samples in respect of revenue recorded for time and material contracts were tested using a combination of customer acceptances, subsequent invoicing and historical trend of collections and disputes.
Performed analytical procedures for reasonableness of revenues disclosed</td></tr>
<tr><td>2</td><td>Accounting of contract work-in-progress for engineering construction projects
The company recognized contract revenue and contract costs from contract work-in-progress for engineering construction projects by reference to the stage of completion of the contract activity at the end of each reporting period. The stage of completion is measured by reference to work performed. The accounting for such engineering construction projects is complex due to high level of estimation in determining the costs to complete. This is due to the nature of the operations, which may be impacted by the technological complexity of projects, the precision of cost estimation during the budgeting process and the actual progress of each project during the financial year. Accordingly, the accounting of contract work-in progress for engineering construction projects is identified as a key audit matter.
Refer Notes 1.i and 10 to the Standalone Financial Statements.</td><td>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.</td></tr>
</table>

Sr. No.	Key Audit Matter	Auditor's Response
3	**Valuation of Claims under settlement** The Company has certain significant open legal proceedings under arbitration for various complex matters with the Clients and other parties, continuing from earlier years, which are as under: • Non acceptance of certain work by the client. • Cost overrun in certain contracts. • Reimbursement of the cost incurred by the company for the client. Due to complexity involved in these litigation matters, the recognition of claims / variations are included in revenues when it is highly probable of recovery based on estimate and assessment of each item by the management based on their experience of recovery Refer Notes 1.r, 45 and 47 to the Standalone Financial Statements	**Principal Audit Procedures** Our audit procedures included the following: • Assessing the procedures implemented by the Company to identify and gather the risks it is exposed to. • Obtaining an understanding of the risk analyses performed by the Company, with the relating supporting documentation, and studying written statements from internal and external legal experts, where applicable. • Discussion with the management on the development in these litigations during the year ended March 31, 2020. Obtaining representation letter from the management on the assessment of these matters as per SA 580 (revised) – Written representations.
4	**Investments and Loans/advances given to subsidiaries, and associates** Investments in subsidiaries, joint venture and associates and loans given to such entities account for a significant percentage of the Company's net assets. Each year management reviews such investments and loans to assess presence of any indications of impairment and determines the recoverable amounts of the investments / loans. Determining the recoverable value of these long-term investments / loans is mainly based on the evaluation of Networth of such entities, quality of assets held by such entities and the judgement by Management for realisation of investments and recovery of loans alongwith interest. Refer Notes 1.h and 3 to the Standalone Financial Statements	**Principal Audit Procedures** We gained an understanding of the process used by the Company to assess the valuation of Investments and Loans & advances, analyze their recoverability and impairment tests performed by the management, and verified that the criteria used to perform these tests are consistent with those established in applicable reporting standards. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • Consideration and evaluation of company's analyses on its overall exposure to each of these subsidiaries; • 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
5	**IT Systems and control over financial reporting** We identified IT systems and controls over financial reporting as a key audit matter for the Company because its financial accounting and reporting systems are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations and IT application controls are required to be designed and to operate effectively to ensure accurate financial reporting.	**Principal Audit Procedures** Our procedures included to the following: • Assessment of the complexity of the environment through discussion with the head of IT. • Assessment of the design and evaluation of the operating effectiveness of general IT controls over program development and changes, access to programs and data and IT operations. • Assessment of the design and evaluation of the operating effectiveness of IT application controls in the key processes impacting financial reporting of the Company.

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

The Company's Board of Directors is responsible for the preparation of 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. Such Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

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

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. Due to the COVID-19 related lock-down, we were unable to participate in the physical verification of inventory that was carried out by the management subsequent to the year end. As informed to us that management has conducted physical verification of high value inventory. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence – Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these Standalone Financial Statements.

   Our opinion is not modified in respect of this matter.

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

   i. the real estate division whose financial statements reflect total assets of ₹ 4600.20 million as at March 31, 2020 and the total revenue of the ₹ 6.10 million for the year ended March 31, 2020,

   ii. 16 joint operations, whose financial results reflect total assets of ₹ 7,332.00 million as at March 31, 2020, Group's Share in Total revenue after elimination of ₹ 4,841.10 million, Total profit (net) after tax of ₹176.20 million and total comprehensive income (net) of ₹ 176.20 million for the year ended March 31, 2020

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

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

   i. 1 unincorporated joint operation whose financial results reflect total assets of ₹ 19.40 million as at March 31 2020, Group's Share in Total revenue after elimination of inter-company revenue, is ₹ Nil, Total Profit (net) after tax of ₹ Nil and total comprehensive income (net) of ₹ Nil for the year ended March 31, 2020,

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" of this report a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

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

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

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

    (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

    (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";

    (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

        i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 47 to the Standalone Financial Statements;

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

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

Anil A. Mehta
Partner
Membership Number: 030529

Place: Mumbai
Date: June 26, 2020

UDIN: 20030529AAAAGF5764

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

(Referred to in paragraph 1, under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

i (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The Company has a regular programme for physical verification in a phased periodic manner, which, in our opinion, is reasonable having regards to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us by the management, the title deeds of immovable properties included in property, plant and equipment's / investment properties are held in the name of the Company, except for Freehold lands with gross block and net block of ₹ 5.66 millions.

ii As explained to us, the Inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

iii According to information and explanation given to us, the Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnership firm or other parties, covered in the register maintained under section 189 of the Companies Act 2013. Accordingly Paragraph 3 (iii) (a), 3 (iii)(b) and 3(iii)(c) of the Order are not applicable to the Company.

iv In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013, to the extent applicable, in respect of the loans, investments, guarantees and security.

v The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly Paragraph 3(v) of the Order is not applicable to the Company.

vi The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, Cess, Entry Tax and Municipality Tax and other material statutory dues applicable to it to the appropriate authorities except for such dues aggregating to ₹ 19.44 million which are outstanding as at March 31, 2020 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, the disputed statutory dues that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

Particulars	**Financial Year to which amount relates**	**Amounts in Million (₹)**	**Forum where dispute is pending**
The Sales Tax Act	2003-2004	2.85	Appellate Tribunal
	2005-2006, 2006-2007 and 2012-2013	19.16	Appellate Tribunal, Kolkata
	2007-2008 to 2011-12	39.41	W.B.C.T. Appellate and Revisional Board, Kolkata
Entry Tax	2015-2016	6.95	Joint Commissioner of Commercial Tax (Appeals)-Central division Patna
Finance Act, 1994	April 2003 to July 2006	2.54	Custom, Excise and Service Tax Appellate Tribunal (CESTAT)
	October 2009 to September 2010	108.31	
	June 2007 to September 2009	651.88	
	September 2015	71.52	
CGST & SGST Act, 2017	Not Applicable	8.28	Commissioner (Appeals) CGST
	September 2018 to March 2019	46.77	The Additional / Joint Commissioner (Appeals)

Particulars	Financial Year to which amount relates	Amounts in Million (₹)	Forum where dispute is pending
The Income Tax Act,1961	2003-04 to 2006-07	405.88	Hon'ble High Court
	2007-08	361.29	Appeal to HC by dept against order of ITAT
	2011-12 & 2015-16 to 2017 -18	800.87	Commissioner of Income Tax (Appeals)
	2017-18 to 2018 – 19	27.99	Commissioner of Income Tax (Appeals) TDS
	2017-18	275.07	Commissioner of Income tax (Appeals)
Provident fund	2008-09, 2009-10 & 2010-11	14.35	Hon'ble High Court, Shimla Himachal Pradesh
Custom Duty	2011-2012	17.62	CESTAT, Chennai
With respect to Independent Branch Patel Engineering Ltd (Real Estate Division)			
The Finance Act, 1994	November 2009 to June 2012	404.69	Custom, Excise and Service Tax Appellate Tribunal
	April 2015 to June 2017	54.14	Commissioner of Service Tax
Income Tax Act, 1961	2013-14 to 2016-17	202.29	Commissioner of Income Tax (Appeals)
	2015-2016 to 2016-17	37.20	The Director, Objections Appeals and Dispute Resolutions Dept. Mauritius

viii There are no loans or borrowings payable to government. The Company has not defaulted in repayment of loans or borrowings to any financial institution or banks during the year with due consideration of the moratorium for repayment granted by the banks and availed by the Company.

ix In our opinion and according to the information and explanations provided by the management, the Company has utilised the monies raised by way of rights issue and term loans for the purposes for which they were raised.

x To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi According to the information and explanations given to us, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii In our opinion and according the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii According to the information and explanation given to us and based on our verification of the records of the Company and on the basis of review and approval by the Board and Audit Committee, the transactions with related parties are in compliance with Section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.

xiv During the year, the Company has made preferential allotment of Optionally Convertible Preference Shares to a promoter entity in lieu of liability for compensation payable to such entity. In our opinion and based on the information and explanations given to us, the Company has complied with the requirements of section 42 of the Act and Rules framed there under in respect of issue of such Optionally Convertible Preference Shares.

xv According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

xvi The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

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

Anil A. Mehta
Partner
Membership Number: 030529

Place: Mumbai
Date: June 26, 2020

UDIN: 20030529AAAAGF5764

ANNEXURE B to Independent Auditors' Report on the Standalone Financial Statements of Patel Engineering Limited, Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act, referred to in paragraph 2(f) under "Report on Other Legal and Regulatory requirement" section of our report of even date.

We have audited the internal financial controls over financial reporting of Patel Engineering Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Standalone Financial Statements and such internal financial controls over financial reporting with reference to these Standalone Financial Statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Anil A. Mehta
Partner
Membership Number: 030529

Place: Mumbai
Date: June 26, 2020

UDIN: 20030529AAAAGF5764

Balance Sheet as at March 31, 2020

		Notes	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
I.	ASSETS			
1	**Non-current assets**			
	(a) Property, plant and equipment	2	3,010.17	2,698.97
	(b) Capital work-in-progress		105.99	28.84
	(c) Intangible assets		2.50	1.12
	(d) Financial assets			
	(i) Investments	3	6,692.17	6,005.02
	(ii) Trade receivables	4	6,522.31	6,396.64
	(iii) Loans	5	10,161.40	8,465.22
	(iv) Other financial assets	6	551.68	316.88
	(e) Deferred tax assets (net)	7	1,099.92	1,253.50
	(f) Current tax assets (net)	8	-	448.32
	(g) Other non current assets	9	6,914.26	5,862.91
	Total non current assets		**35,060.40**	**31,477.42**
2	**Current assets**			
	(a) Inventories	10	28,241.74	28,740.45
	(b) Financial assets			
	(i) Trade receivables	4	3,110.62	2,107.38
	(ii) Cash and cash equivalents	11	1,066.34	1,098.38
	(iii) Other bank balances	12	-	0.21
	(iv) Loans	5	1,700.82	2,576.19
	(v) Other financial assets	6	116.67	116.67
	(c) Other current assets	9	7,304.62	6,588.24
	(d) Assets classified as held for sale	13	150.00	150.00
	Total current assets		**41,690.80**	**41,377.52**
	TOTAL ASSETS		**76,751.20**	**72,854.94**
II.	EQUITY AND LIABILITIES			
1	**Shareholders' Fund**			
	(a) Equity share capital	14	408.17	164.25
	(b) Other equity		25,292.65	22,874.63
	Total equity		**25,700.82**	**23,038.88**
2	**Liabilities**			
	Non current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	15	6,279.64	9,095.38
	(ii) Trade payables			
	(a) Total outstanding dues of micro enterprises and small enterprises	16	-	-
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		3,302.45	3,104.78
	(iii) Other financial liability	17	1.77	4.38
	(b) Provisions	18	152.54	59.02
	(c) Other non current liabilities	19	5,653.74	6,638.49
	(d) Deferred revenue	20	75.59	55.04
	Total non current liabilities		**15,465.74**	**18,957.09**
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	21	12,409.07	12,741.55
	(ii) Trade payables			
	a) Total outstanding dues of micro enterprises and small enterprises	22	23.92	16.90
	b) Total outstanding dues of creditors other than micro enterprises and small enterprises		13,022.11	8,822.49
	(iii) Other financial liabilities	23	1,610.39	1,357.13
	(b) Provisions	18	22.04	11.88
	(c) Other current liabilities	24	8,497.12	7,909.02
	Total current liabilities		**35,584.64**	**30,858.97**
	TOTAL EQUITY AND LIABILITIES		**76,751.20**	**72,854.94**
	Summary of significant accounting policies	1		

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

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

Anil A. Mehta
Partner
Membership No. 030529

Place : Mumbai
Date : June 26, 2020

For and on behalf of Board

Rupen Patel
Chairman &
Managing Director
DIN : 00029583

Kavita Shirvaikar
Chief Financial Officer &
Director
DIN : 07737376

Sunil Sapre
Director
DIN : 05356483

Shobha Shetty
Company Secretary
Mem. No.: F10047

Statement of Profit and Loss for the year ended March 31, 2020

		Notes	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
I.	Revenue from operations	25	23,330.59	20,698.90
II.	Other income	26	3,495.11	2,862.06
III.	**Total revenue (I + II)**		**26,825.70**	**23,560.96**
IV.	Expenses:			
	Cost of construction	27	19,017.70	14,965.56
	Purchase of stock in trade		91.02	22.94
	Employee benefits expense	28	1,818.63	1,550.98
	Finance costs	29	3,309.05	3,225.24
	Depreciation and amortization expense	2	586.27	409.25
	Other expenses	30	1,391.08	1,389.05
	Total expenses		**26,213.73**	**21,563.01**
V.	Profit before exceptional items and tax (III-IV)		611.97	1,997.95
VI.	Exceptional items	31	-	844.34
VII.	Profit before tax (V - VI)		**611.97**	**1,153.61**
VIII.	Tax expense:			
	(1) Current tax		163.86	925.43
	(2) Earlier years		(86.39)	-
	(3) Deferred tax		162.82	(600.56)
IX.	Profit for the year (VII-VIII)		**371.68**	**828.74**
X.	Other comprehensive income			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans		(12.57)	0.96
	(ii) Income tax relating to items that will not be reclassified to profit or loss		4.42	0.56
XI.	Total other comprehensive income		(8.14)	1.52
XII.	Total comprehensive income for the year (IX+XI) (Comprising profit and other comprehensive income for the year)		**363.53**	**830.26**
XIII.	Earnings per equity share:			
	(1) Basic	35	1.30	5.22
	(2) Diluted		0.89	2.97
	Summary of significant accounting policies	1		

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

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

Anil A. Mehta
Partner
Membership No. 030529

Place : Mumbai
Date : June 26, 2020

For and on behalf of Board

Rupen Patel
Chairman &
Managing Director
DIN : 00029583

Kavita Shirvaikar
Chief Financial Officer &
Director
DIN : 07737376

Sunil Sapre
Director
DIN : 05356483

Shobha Shetty
Company Secretary
Mem. No.: F10047

Cash Flow Statement for the year ended March 31, 2020

		March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net profit after tax	371.68	828.74
	Adjustment for:		
	Depreciation/ amortisation	586.27	409.25
	Tax expenses	240.29	324.87
	Finance charges	3,309.05	3,225.23
	Interest income and dividend received	(2,242.96)	(1,981.38)
	Foreign exchange gain	(160.71)	(100.23)
	Provision for leave salary	27.99	(1.91)
	Provision for gratuity	15.24	(4.01)
	Impact of Ind AS 115	-	(37.35)
	Gain on de-recognition of financial assets	-	(103.50)
	Share in profit from joint operations	(176.20)	-
	Provision for impairment	118.09	940.59
	Profit on sale of assets	(14.99)	(53.84)
	Excess credit written back	(833.85)	(436.28)
	Irrecoverable debts and advances written off	118.66	298.64
	ESOP compensation expenses	4.09	7.82
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**1,362.62**	**3,316.64**
	Adjustment for changes in:		
	Trade and other receivables	(2,705.33)	(2,237.42)
	Inventories	498.71	(1,888.20)
	Trade and other payables (excluding income tax)	4,160.25	4,366.21
	Cash from operations	**3,316.25**	**3,557.23**
	Direct tax refund received	618.93	719.93
	NET CASH FROM OPERATING ACTIVITIES (A)	**3,935.18**	**4,277.16**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets (including capital work in progress and capital advances)	(689.38)	(358.45)
	Sale of fixed assets	33.18	88.25
	Decrease in loans to subsidiaries/ JV/ associates	(77.62)	75.20
	Sale of investments	-	0.25
	Purchase of investments	0.00	(44.53)
	Increase in other bank balances	24.43	21.00
	Interest and dividend received	66.25	182.67
	NET CASH USED IN INVESTING ACTIVITIES (B)	**(643.15)**	**(35.61)**

	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of shares	177.60	7.25
Proceeds from borrowings	436.64	1,807.43
Repayment of borrowings	(1,504.27)	(3,744.15)
Dividend paid	(0.21)	(0.50)
Finance charges paid	(2,594.55)	(2,489.97)
NET CASH USED IN FINANCING ACTIVITIES (C)	**(3,484.79)**	**(4,419.94)**
Net decrease in cash and cash equivalent (A+B+C)	**(192.76)**	**(178.39)**
Opening balance of cash and cash equivalents	1,098.38	1,176.54
Balance of cash and cash equivalents	905.62	998.15

Notes to cash flow statement

a) Cash and cash equivalents

Cash on hand and balance with banks	1,066.34	1,098.38
Effect of exchange rate changes	(160.71)	(100.23)
Closing cash and cash equivalents as restated	905.62	998.15

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

c) **Reconcilation of liabilities arising from financing activities** ₹ Million

March 31, 2020	**Opening balance**	**Cash flow**	**Non-cash changes**	**Closing balance**
Borrowings (including short term borrowing, long term borrowing & current maturity)	22,152.69	(1,067.63)	(2,047.54)	19,037.52
Unpaid dividend	0.21	(0.21)	-	-
Total	**22,152.90**	**(1,067.84)**	**(2,047.54)**	**19,037.52**

March 31, 2019	**Opening balance**	**Cash flow**	**Non-cash changes**	**Closing balance**
Borrowings (including short term borrowing, Long term borrowing & current maturity)	24,127.91	(1,936.72)	(38.50)	22,152.69
Unpaid dividend	0.71	(0.50)	-	0.21
Total	**24,128.63**	**(1,937.22)**	**(38.50)**	**22,152.90**

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

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

Anil A. Mehta
Partner
Membership No. 030529

Place : Mumbai
Date : June 26, 2020

For and on behalf of Board

Rupen Patel
Chairman &
Managing Director
DIN : 00029583

Kavita Shirvaikar
Chief Financial Officer &
Director
DIN : 07737376

Sunil Sapre
Director
DIN : 05356483

Shobha Shetty
Company Secretary
Mem. No.: F10047

Statement of Changes in Equity for the year ended March 31, 2020

(A) EQUITY SHARE CAPITAL

Particulars	Number of shares	₹ Million
Equity shares of ₹1 each issued, subscribed and paid		
As at March 31, 2018	156,994,691	156.99
Issue of equity shares	7,253,815	7.25
As at March 31, 2019	**164,248,506**	**164.25**
Issue of equity shares	243,929,786	243.93
As at March 31, 2020	**408,178,292**	**408.17**

(B) OTHER EQUITY

₹ Million

Particulars	Reserves and surplus								
	Equity Component of compound financial instruments	Capital reserve	General Reserve	Securities premium	Debenture redemption reserve	Stock Option Outstanding Account	Capital redemption reserve	Surplus in the statement of profit and loss	Total Equity attributable to equity holders
As at March 31, 2018	**-**	**266.51**	**2,561.97**	**12,012.64**	**250.00**	**1.03**	**300.00**	**6,712.06**	**22,104.21**
Profit for the year	-	-	-	-	-	-	-	828.74	828.74
Other comprehensive income for the year	-	-	-	-	-	-	-	1.52	1.52
- Employee Stock Option	-	-	-	-	-	7.82	-	-	7.82
- on account of IND AS Adjustments	-	-	-	-	-	-	-	(37.35)	(37.35)
- on account of consolidation of joint venture	-	-	-	-	-	-	-	(30.31)	(30.31)
- Transfer from / to debenture redemption reserve	-	-	78.00	-	(78.00)	-	-	-	-
As at March 31, 2019	**-**	**266.51**	**2,639.97**	**12,012.64**	**172.00**	**8.85**	**300.00**	**7,474.66**	**22,874.63**
Profit for the year	-	-	-	-	-	-	-	371.68	371.68
- Other comprehensive income for the year	-	-	-	-	-	-	-	(8.14)	(8.14)
- on account of consolidation of joint venture	-	-	-	-	-	-	-	(223.24)	(223.24)
- issued during the year	166.69	-	-	-	-	-	-	-	166.69
- Issue of equity shares	-	-	-	2,139.56	-	-	-	-	2,139.56
- Share issue expenses	-			(32.61)					(32.61)
- Employee Stock Option	-	-	-	-	-	4.09	-	-	4.09
- Transfer from / to debenture redemption reserve	-	-	172.00	-	(172.00)	-	-	-	-
As at March 31, 2020	**166.69**	**266.51**	**2,811.97**	**14,119.59**	**-**	**12.93**	**300.00**	**7,614.95**	**25,292.65**

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

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

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

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

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

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

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

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

As per our report of even date

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

Anil A. Mehta
Partner
Membership No. 030529

Place : Mumbai
Date : June 26, 2020

For and on behalf of Board

Rupen Patel
Chairman & Managing Director
DIN : 00029583

Kavita Shirvaikar
Chief Financial Officer & Director
DIN : 07737376

Sunil Sapre
Director
DIN : 05356483

Shobha Shetty
Company Secretary
Mem. No.: F10047

Notes to Standalone Financial Statement for the year ended March 31, 2020

NOTE : 1

1.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

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

These financial statement have been approved for issue by the Board of Directors, at their meeting held on June 26, 2020.

b) Basis of preparation

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

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

c) Current/non-current classification

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

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

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

d) Critical accounting estimates and judgements

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

The areas involving critical estimates or judgements are:

- Measurement of defined benefit obligation
- Estimation of useful life of property, plant and equipment and intangibles
- Recognition of deferred taxes
- Estimation of impairment
- Estimation of provision and contingent liabilities

e) Property, plant and equipment

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

Notes to Standalone Financial Statement for the year ended March 31, 2020

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

Machinery Spares that meet the defination of PPE are capitalised.

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

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

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

f) Depreciation

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

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

Intangible assets

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

Intangible assets are amortized over their useful life.

g) Impairment of Non-Financial Assets

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

h) Investments in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are recognised at cost less accumlated impairment (if any) as per Ind AS 27, except where investments accounted for in accordance with Ind AS 105, non-current assets held for sale and discontinued operations, when they are classified as held for sale.

i) Inventories

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

j) Recognition of income and expenditure

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

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

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

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

k) Interest in joint arrangements

As per Ind AS 111 - Joint Arrangements, investment in joint arrangement is classified as either joint operation or joint venture. The classification depends on the contractual rights and obligations of each investor rather than legal structure of the joint arrangement.

The Company recognises its direct right to assets, liabilities, revenue and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

l) Foreign currency transaction/translations

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

Revenue transactions at the Foreign Branch/projects are translated at average rate. Property, plant and equipment are translated at rate prevailing on the date of purchase. Net exchange rate difference is recognized in the Statement of Profit and Loss. Depreciation is translated at rates used for respective assets.

Notes to Standalone Financial Statement for the year ended March 31, 2020

m) Financial instrument:

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

(I) Financial asset:

Initial recognition and measurement :

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

Subsequent measurement :

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

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

(a) Financial asset measured at amortized cost :

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

(a) Trade receivables

(b) Investment in subsidiaries, associates and joint ventures

(c) Loans

(d) Other financial assets

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

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

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

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

Equity Instruments

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

De-recognition of financial assets:

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

Impairment of financial assets:

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

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

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

(c) Lease receivables under Ind AS 17.

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

(e) Loan commitments which are not measured at FVTPL

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

(II) Financial liability

Initial recognition and measurement :

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

Subsequent measurement :

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

Financial liabilities at amortized cost:

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

The company is classifying the following under amortized cost

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

Derecognition:

A financial liability shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified

Notes to Standalone Financial Statement for the year ended March 31, 2020

in the contract is discharged or cancelled or expires. The difference between the carrying amount and fair value of the liabilities shall be recognised in the statement of profit and loss.

n) Financial derivative and hedging transactions

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

o) Fair Value Measurement

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

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

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

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

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

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

p) Employee benefits

Short term employee benefits :

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

Defined contribution plans

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

Defined benefit plans :

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

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

q) **Taxation**

Current tax:

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

Deferred tax:

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to temporary differences between the finacial statements' carrying amount of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the balance sheet dates. The effect on the deferred tax assets and liabilities of a change in tax rate is recognised in the period that includes the enactment date. Deferred tax assets are recognised only to the extent there is virtual certainty of realization in future. Transaction or event which is recognised outside Profit or Loss, either in Other Comprehensive Income or in equity, is recorded along with the tax as applicable.

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

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

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are disclosed where an inflow of economic benefits is probable.

s) **Employees stock option plan**

Compensation expenses under "Employee Stock Option Plan" representing excess of fair price of the shares on the date of grant of option over the exercise price of option is amortized on a straight-line basis over the vesting period.

t) **Borrowing cost**

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

u) **Leases**

IND AS 116

As a lessee

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

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

Notes to Standalone Financial Statement for the year ended March 31, 2020

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.

Under IND AS 17

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as expense in the statement of profit and loss on a straight line basis over the lease term.

v) Business combinations

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

w) Earning per share

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

x) Non-current assets held for sale and discontinued operation

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

y) Standards issued but not yet effective

The amendments are proposed to be effective for reporting periods beginning on or after April 1, 2020. Ministry of Corporate Affairs has carried out amendments in Ind AS 116 related to Rent Concessions. The Company is in the process of evaluating the impact of the new amendments issued but not yet effective.

Note : 2

PROPERTY, PLANT AND EQUIPMENT AS AT MARCH 31, 2020

₹ Million

Particulars	Gross Block				Depreciation and Amortization				Net Book Value	
	As at April 1, 2019	Addition	Deduction/ Retirement	As at March 31, 2020	As at April 1, 2019	For the year	Adjustment /Deduction	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
TANGIBLE ASSETS										
Land [1]	174.17	-	4.88	169.29	-	-	-	-	169.29	174.17
Building [2]	429.43	0.02	4.48	424.97	99.34	14.04	1.05	112.33	312.64	330.09
Plant and equipment [3]	4,880.50	544.35	37.67	5,387.18	3,255.34	333.70	28.60	3,560.44	1,826.74	1,625.16
Furniture and fixtures	42.00	0.85	-	42.85	37.69	1.13	-	38.82	4.03	4.31
Vehicles [4]	1,235.12	52.77	23.90	1,263.99	975.53	79.98	23.11	1,032.40	231.59	259.59
Office equipments	44.46	1.28	-	45.75	40.47	1.37	-	41.84	3.91	3.99
Others [5]	39.60	0.48	-	40.08	27.19	0.87	-	28.06	12.02	12.41
Electric equipment	64.80	10.67	-	75.48	47.40	6.52	-	53.92	21.56	17.40
Computer equipments	82.17	18.97	0.25	100.92	75.13	5.48	0.25	80.36	20.56	7.04
	6,992.25	**629.39**	**71.19**	**7,550.51**	**4,558.11**	**443.09**	**53.01**	**4,948.18**	**2,602.34**	**2,434.16**
INTANGIBLE ASSETS										
Computer software	51.65	2.27	-	53.92	50.53	0.89	-	51.42	2.50	1.12
TOTAL	**7,043.90**	**631.66**	**71.19**	**7,604.44**	**4,608.64**	**443.98**	**53.01**	**4,999.60**	**2,604.83**	**2,435.29**
RIGHT TO USE[6]										
Building	-	83.79	-	83.79	-	22.96	-	22.96	60.83	-
Plant and equipment	267.94	201.52	-	469.46	14.50	117.81	-	132.32	337.14	253.44
Vehicles	12.06	-	-	12.06	0.69	1.51	-	2.20	9.86	11.37
	280.00	**285.32**	**-**	**565.32**	**15.20**	**142.28**	**-**	**157.48**	**407.83**	**264.80**
CAPITAL WORK IN PROGRESS									105.99	28.84
TOTAL	**7,323.90**	**916.98**	**71.19**	**8,169.75**	**4,623.84**	**586.27**	**53.01**	**5,157.08**	**3,118.66**	**2,728.93**

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

2 a) Building includes building [gross block ₹ 277.79 million (₹ 282.24 million), accumulated depreciation ₹ 51.64 million (₹ 43.90 million)] and factory building [gross block ₹ 147.19 million (₹ 147.19 million), accumulated depreciation ₹ 60.69 million (₹ 55.44 million)]

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

c) Additon to Land and Building includes ₹Nil (₹ 64.90 million) transferred from project development expenses

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

₹ Million

4

Vehicles includes	Gross Block 2019-20	Gross Block 2018-19	Acc Dep. 2019-20	Acc Dep. 2018-19
Motor car	262.61	251.43	195.31	187.46
Motor truck	997.90	992.63	834.76	786.53
Motor cycle	3.47	3.12	2.51	2.22

₹ Million

5

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

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

Notes to Standalone Financial Statement for the year ended March 31, 2020

Note : 2 (contd.)

PROPERTY, PLANT AND EQUIPMENT AS AT MARCH 31, 2019

₹ Million

Particulars	Gross Block				Depreciation and Amortization				Net Book Value	
	As at April 1, 2018	Addition	Deduction/ Retirement	As at March 31, 2019	As at April 1, 2018	For the year	Adjustment /Deduction	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
TANGIBLE ASSETS										
Land [1]	174.52	-	0.35	174.17	-	-	-	-	174.17	174.52
Building [2]	370.86	65.65	7.08	429.43	85.21	15.94	1.81	99.34	330.09	285.66
Plant and equipment [3]	4,698.27	267.28	85.06	4,880.50	3,035.30	284.65	64.61	3,255.34	1,625.16	1,662.97
Lease Plant and equipment	-	267.94		267.94	-	14.50		14.50	253.44	-
Furniture and fixtures	43.01	1.72	2.73	42.00	38.82	1.53	2.66	37.69	4.31	4.20
Vehicles [4]	1,277.05	25.12	67.04	1,235.12	957.47	77.05	58.99	975.53	259.59	319.58
Lease vehicle		12.06		12.06	-	0.69		0.69	11.37	-
Office equipments	47.22	1.37	4.12	44.46	43.02	1.36	3.91	40.47	3.99	4.20
Others [5]	31.63	7.97	-	39.60	26.49	0.71	-	27.19	12.41	5.14
Electric equipment	59.44	5.36	-	64.80	42.19	5.21	-	47.40	17.40	17.25
Computer equipments	81.09	3.76	2.68	82.17	71.39	6.42	2.68	75.13	7.04	9.70
	6,783.09	**658.22**	**169.06**	**7,272.26**	**4,299.89**	**408.07**	**134.65**	**4,573.30**	**2,698.97**	**2,483.20**
INTANGIBLE ASSETS										
Computer software	51.44	0.21	-	51.65	49.34	1.19	-	50.53	1.12	2.10
TOTAL	**6,834.53**	**658.43**	**169.06**	**7,323.91**	**4,349.23**	**409.26**	**134.65**	**4,623.84**	**2,700.09**	**2,485.30**
CAPITAL WORK IN PROGRESS									28.84	17.16
TOTAL	**6,834.53**	**658.43**	**169.06**	**7,323.91**	**4,349.23**	**409.26**	**134.65**	**4,623.84**	**2,728.93**	**2,502.46**

1 Land includes ₹ 7.09 million (₹ 7.13 million) held in the name of directors, relatives of directors and employees for and on behalf of the Company.

2 a) Building includes building [gross block ₹ 282.24 million (₹ 223.67 million), accumulated depreciation ₹ 43.90 million (₹ 35.01 million)] and factory building [gross block ₹ 147.19 million (₹ 156.01 million), accumulated depreciation ₹ 55.44 million (₹ 50.20 million)]

b) ₹ 0.0083 million (₹ 0.0088 million) being the value of 165 shares (P.Y. 175 shares) and share deposits in Co - operative Societies.

3 Includes ₹ 0.47 million (P.Y. ₹ 0.12 million) towards exchange rate difference.

₹ Million

4

Vehicles includes	Gross Block 2018-19	Gross Block 2017-18	Acc Dep. 2018-19	Acc Dep. 2017-18
Motor car	251.43	251.98	187.46	184.65
Motor truck	992.63	1,021.93	786.53	770.80
Motor cycle	3.12	3.13	2.22	2.02

₹ Million

5

Others include	Gross Block 2018-19	Gross Block 2017-18	Acc Dep. 2018-19	Acc Dep. 2017-18
Ship	0.06	0.06	0.05	0.04
Rails and trolley	39.53	31.57	27.15	26.45

Notes to Standalone Financial Statement for the year ended March 31, 2020

NOTE : 3
INVESTMENT

NON- CURRENT INVESTMENTS	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Investment in equity instruments, unquoted		
- In subsidiaries		
8,85,220 shares (8,85,220) of Michigan Engineers Pvt. Ltd., Face Value ₹10/- per share	111.86	111.86
10,000 shares (10,000) of Shreeanant Construction Pvt. Ltd., Face Value ₹10/- per share	0.10	0.10
Nil share (20,207) of ASI Constructors INC. par value US $ 0.0099 per share	-	170.54
50,000 shares (50,000) of Apollo Buildwell Pvt.Ltd., Face Value ₹10/- per share	0.50	0.50
50,000 shares (50,000) of Arsen Infra Pvt.Ltd., Face Value ₹10/- per share	0.50	0.50
48,565 shares (48,565) of Hera Realcon Pvt.Ltd., Face Value ₹10/- per share	0.49	0.49
50,000 shares (50,000) of Lucina Realtors Pvt.Ltd., Face Value ₹10/- per share	0.50	0.50
10,000 shares (10,000) of PBSR Developers Pvt. Ltd., Face Value ₹10/- per share	0.10	0.10
10,000 Shares (10,000) of Waterfront Developers Ltd., Face Value ₹10/- per share	0.16	0.16
409,422 shares (409,422) of Patel Engineering Inc. of par value US $0.001 per share	391.53	391.53
60,000 shares (60,000) of Zeus Minerals Trading Pvt.Ltd., Face Value ₹10/- per share	0.60	0.60
7,210,000 shares (7,210,000) of Bhooma Realties Pvt. Ltd., Face Value ₹ 10/-per share	72.28	72.28
7,880,000 shares (7,880,000) of Shashvat Land Projects Pvt. Ltd., Face Value ₹ 10/- per share	79.00	79.00
7,000,000 shares (7,000,000) of Pandora Infra Pvt. Ltd., Face Value ₹ 10/- per share	70.18	70.18
9,100,000 shares (9,100,000) of Patel Engineers Pvt. Ltd., Face Value ₹ 10/- per share	91.23	91.23
5,510,000 shares (5,510,000) of Vismaya Constructions Pvt. Ltd., Face Value ₹ 10/- per share	55.24	55.24
14,070,000 shares (14,070,000) of Patel Patron Pvt. Ltd., Face Value ₹ 10/- per share	141.05	141.05
10,000,000 shares (10,000,000) of Patel Engineering Infrastructure Ltd. Face Value ₹10/- per share	100.00	100.00
50,000 shares (50,000) of Energy Design Pvt. Ltd. Face Value ₹ 10 per share	0.50	0.50
50,000 Shares (50,000) of Patel Lands Ltd. Face Value ₹ 10 per share	0.50	0.50
17,05,000 shares (17,05,000) of Patel Engineering Mauritius Ltd. Face Value Mauritius Rupee 10/- per share	25.76	25.76
33,000 shares (33,000) of Friends Nirman Ltd. Face Value ₹10 per share	24.15	24.15
100,000 shares (100,000) of Patel Concrete & Quarries Pvt . Ltd. Face Value ₹10/- share	1.00	1.00
23,65,000 shares (23,65,000) of Patel Engineering Singapore Pte. Ltd. Face Value US $ 1/- per share	94.46	94.46
41,28,87,859 shares (34,40,73,217) of Patel Energy Resources Ltd. Face Value ₹10 per share	4,128.88	3,440.73
10,000 shares (10,000) of Hampus Infrastructure Pvt. Ltd. Face Value ₹10 per share	0.10	0.10
26,193,077 shares (26,193,077) of Patel Engineering Lanka Ltd. Face Value LKR 1/- per share	11.21	11.21
	5,401.88	**4,884.27**
In associates		
Other investments		
8,495,040 Shares (8,495,040) of ACP Tollways Pvt. Ltd., Face Value ₹ 100/- per share	849.50	849.50
51,000 shares (51,000) of Pan Realtors Pvt. Ltd. Face Value ₹ 10 per share	4.35	4.35
2,40,19,600 shares (2,40,19,600) of Hitodi Infrastructure Pvt. Ltd. Face Value ₹10 per share	240.20	240.20
26,672,000 shares (26,672,000) of Raichur Sholapur Transmission Company Ltd., Face Value ₹ 10/- per share	266.72	266.72
	1,360.77	**1,360.77**

Notes to Standalone Financial Statement for the year ended March 31, 2020

NON- CURRENT INVESTMENTS	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Investment in redeemable preference shares		
- In subsidiaries		
Nil share (59,375) of ASI Constructor Inc, Par value US$ 100 per share	-	391.33
65,601,097 shares (65,601,097) of Patel Engineering Lanka Ltd. Face Value LKR 1/- per share	27.33	27.33
	27.33	**418.66**
Less : Provision for impairment III	174.48	735.35
	6,615.51	**5,928.35**
Investment in Government Securities IV	0.12	0.12
Investment by joint venture	76.00	76.00
Investment in Partnership Firms V	0.03	0.03
Investment in Mutual Funds (Quoted)	0.52	0.52
TOTAL NON -CURRENT INVESTMENT	**6,692.17**	**6,005.02**

I. Aggregated amount of unquoted investments as at March 31, 2020 ₹ 6,691.63 million (P.Y. ₹ 6,004.47 million)

II. Aggregated amount of quoted investments as at March 31, 2020 ₹ 0.52 million, market value ₹ 0.52 million (P.Y. ₹ 0.52 million, market value ₹ 0.52 million)

III. Aggregated amount of impairment in value of investments as at March 31, 2020 ₹ 246.48 million (P.Y. ₹ 807.35 million) (Also refer note 13)

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

V. A firm AHCL - PEL having fixed capital of ₹75,000 (P.Y. ₹ 75,000), had profit sharing as follows :- the company 20% (P.Y. 20%), Ace Housing & Const. Ltd. 1% (P.Y. 1%) & Pravin Patel 79% (P.Y. 79%). The company and another partner had by a notice sent to other partner of the firm, dissolved the firm. The partners have subsequently gone into arbitration as directed by court; the proceedings of which are on and the final outcome of which is awaited.

In Patel Advance JV partnership firm, company is having fixed capital of ₹ 0.03/- million. In the firm, partnership sharing has been as follows : the Company 26% (P.Y.26%), Advance Construction Co. Pvt. Ltd. 12.5% (P.Y. 12.5%), Apollo Buildwell Pvt. Ltd. 12.5% (P.Y. 12.5%), Mr. Sandeep Das 25% (Nil), Mascot Developers Pvt. Ltd. 24% (P.Y. 24%) & Cash Infrastructure Private limited Nil (PY 25%). The company will retire from the firm once the occupation certificate is received as specified in the partnership deed & will get compensation as decided in the said deed.

NOTE : 4
TRADE RECEIVABLES

	Non-Current		Current	
	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Unsecured, considered good unless otherwise stated				
Receivables outstanding for a period exceeding six months				
Considered good	6,331.30	6,070.62	1,762.91	1,448.28
Considered doubtful	-	-	5.12	2.39
	6,331.30	**6,070.62**	**1,768.04**	**1,450.66**
Less : allowance for doubtful debts	-	-	5.12	2.39
	6,331.30	**6,070.62**	**1,762.91**	**1,448.28**
Other receivables				
Considered good	191.01	326.02	1,347.70	659.10
	6,522.31	**6,396.64**	**3,110.62**	**2,107.38**

Notes to Standalone Financial Statement for the year ended March 31, 2020

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.

NOTE : 5
LOANS

	Non-Current		Current	
	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Balance in current account with				
Subsidiaries/associates/joint ventures/partnership				
Unsecured, considered good	10,161.40	8,465.22	1,700.81	2,576.19
Balance which have significant increase in credit risk	1,003.89	790.31	44.48	27.30
	11,165.29	**9,255.53**	**1,745.30**	**2,603.48**
Less: provision for impairment	1,003.89	790.31	44.48	27.30
	10,161.40	**8,465.22**	**1,700.82**	**2,576.19**

NOTE : 6
OTHER FINANCIAL ASSETS

	Non-Current		Current	
	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Cash and bank balances				
Balance with Banks				
-On fixed deposits accounts with scheduled banks*	470.80	232.03	-	-
Deferred finance cost	75.82	79.79	-	-
Secured deposit				
Unsecured, considered good	5.06	5.06	116.67	116.67
	551.68	**316.88**	**116.67**	**116.67**

NOTE : 7
DEFERRED TAX ASSETS

	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Retaled to depreciation on fixed assets	(105.42)	24.36
Other disallowances under the income tax act	1,205.34	1,229.14
	1,099.92	**1,253.50**

Notes to Standalone Financial Statement for the year ended March 31, 2020

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

	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Deferred income tax liability		
Timing difference on tangible and intangible assets depreciation and amortisation	(105.42)	-
Others	-	(115.76)
Deferred income tax asset		
Disallowances under income tax act	1,205.34	1,344.90
Timing difference on tangible and intangible assets depreciation and amortisation	-	24.36
Future losses	-	-
Total deferred tax assets (net)	**1,099.92**	**1,253.50**

NOTE : 8

CURRENT TAX ASSETS (NET)

	Non-Current		Current	
	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Advance tax (net)[1]	-	448.32	-	-
	-	448.32	-	-

1 Includes advance tax which is net of provision for tax ₹ Nil (P.Y. ₹ 2,491.11 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, 2020 ₹ Million	March 31, 2019 ₹ Million
Profit / loss before income tax	611.97	1,153.61
Income tax expense calculated at 34.944%	213.85	403.11
Effect of expenses not allowed for tax purpose	14.28	792.19
Effect of income not considered for tax purpose	(5.24)	(289.32)
Others	(59.03)	19.44
	163.86	**925.43**

NOTE : 9
OTHER ASSETS

	Non-Current		Current	
	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Capital advance				
Secured, considered good				
Unsecured, considered good	552.61	435.80	-	-
Security deposit				
Unsecured, considered good	3,630.27	2,583.02	1,398.61	1,415.02
Advance recoverable				
Unsecured, considered good	514.56	989.41	4,214.51	3,776.08
Doubtful	527.49	531.74	-	-
Prepaid expenses	84.03	88.09	240.04	73.12
Balance with statutory authorities	326.92	239.27	1,320.21	1,190.96
Accrued interest	1,876.65	1,523.26	27.31	18.20
Receivable on account of sale of long term investments	-	-	66.88	66.88
Non trade receivables	0.01	-	26.00	26.75
Advances to employees	16.31	4.06	11.06	21.23
	7,528.84	**6,394.65**	**7,304.62**	**6,588.24**
Less: Allowance for Doubtful advances	527.49	531.74	-	-
Less: Provision for impairment	87.09	-	-	-
	6,914.26	**5,862.91**	**7,304.62**	**6,588.24**

NOTE : 10
INVENTORIES *
(At lower of cost or net realisable value/contract rates)

	Current	
	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Stores, embedded goods and spare parts etc.	1,423.43	1,211.00
(Includes stores in transit ₹ 29.09 million (P.Y. ₹ 23.75 million)		
Work in progress	26,818.31	27,529.45
	28,241.74	**28,740.45**

*(As technically valued and certified by the management)

Notes to Standalone Financial Statement for the year ended March 31, 2020

NOTE : 11
CASH AND CASH EQUIVALENTS

	Current	
	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Balance with Banks		
- On current accounts with scheduled banks	953.26	848.95
- On fixed deposits accounts with scheduled banks	91.15	87.57
- On fixed deposits accounts with foreign banks	19.54	-
- Balances with non scheduled banks	0.31	159.82
- Cheques in hand	0.03	-
- Foreign currency in hand	0.23	0.22
Cash on hand	1.81	1.82
	1,066.34	**1,098.38**

NOTE : 12
OTHER BANK BALANCES

	Current	
	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Balances with bank for unpaid dividend	-	0.21
	-	**0.21**

NOTE : 13
ASSETS CLASSIFIED AS HELD FOR SALE

	Current	
	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Investment		
2,22,00,000 shares (2,22,00,000) of Patel KNR Infrastructures Ltd., Face Value ₹ 10/- per share	222.00	222.00
2,50,000 shares (2,50,000) of Bellona Estate Developers Ltd., Face Value ₹ 10/- per share	-	-
Less : Provision for Impairment	72.00	72.00
TOTAL	**150.00**	**150.00**

Notes to Standalone Financial Statement for the year ended March 31, 2020

NOTE : 14

SHARE CAPITAL AND OTHER EQUITY

A)	SHARE CAPITAL	March 31, 2020		March 31, 2019	
		No. of shares	₹ Million	No. of shares	₹ Million
a)	**Authorized**				
	Equity shares of ₹1 each	2,750,000,000	2,750.00	2,750,000,000	2,750.00
	Zero Coupon Optionally Convertible Preference Shares of ₹ 1 each*	800,000,000	800.00	-	-
	Preference shares of ₹10,000,000 each	-	-	80	800.00

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

		March 31, 2020		March 31, 2019	
		No. of shares	₹ Million	No. of shares	₹ Million
b)	**Issued, subscribed and fully paid up**				
	Equity shares of ₹1 each	408,178,292	408.17	164,248,506	164.24
		408,178,292	**408.17**	**164,248,506**	**164.24**

c) Terms/rights attached to equity shares

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

Terms/rights attached to Zero Coupon Optionally Convertible Preference shares

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

d)	**Reconciliation of equity shares outstanding at the beginning and at end of the year**	No. of shares	₹ Million	No. of shares	₹ Million
	Outstanding at the beginning of the year	164,248,506	164.24	156,994,691	156.99
	Add :- issued during the year	243,929,786	243.93	7,253,815	7.25
	Outstanding at the end of the year	**408,178,292**	**408.17**	**164,248,506**	**164.24**

Notes to Standalone Financial Statement for the year ended March 31, 2020

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)	185,331,924	45.40	18,665,257	11.36
ii)	Mr. Rupen Pravin Patel	34,685,933	8.50	1,352,600	0.82
iii)	Praham India LLP	30,995,882	7.59	10,420,892	6.34
iv)	Bank of Baroda	20,572,368	5.04	6,966,499	4.24
v)	Patel Engineering Employees' Welfare Trust	13,232,715	3.24	13,282,715	8.09
vi)	Dena bank	-	-	12,102,989	7.37

f) During the year Company has made prefential allotement of 53,99,66,397 fully paid-up Zero Coupon Optionally Convertible Preference shares ('OCPS') to a Promoter of the Company pursuant to a contract without payment being received in cash. Out of the above, 37,32,72,000 options are 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 been converted into 91,99,470 equity shares after the balance sheet date i.e. March 31, 2020.

g) Shares reserved under options

In pursunt 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 outsanding option and term of conversion/redemption of OCD has given under the head of borrowings.

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

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

NOTE : 15
BORROWINGS

		Non-Current Portion		Current Maturities	
		March 31, 2020 ₹ Million	March 31, 2019 ₹ Million	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
I	**Secured Loans**				
a)	Debentures [1]	5,281.00	6,370.98	50.00	-
b)	Term loans				
	- From bank [2]	573.28	698.29	96.96	163.64
	- From others [3]	425.35	524.61	201.86	152.13
II	**Unsecured Loans**				
	- From related parties [4]	-	1,501.50	-	-
	- Amount disclosed under "other financial liabilities" in Note No. 23	-	-	(348.82)	(315.77)
		6,279.64	**9,095.38**	**-**	**-**

1 Debentures

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

b) During FY 18, S4A (Scheme for Sustainable Structuring of Stressed Assets) of RBI for Debt resolution plan was approved and implemented by the lenders of the company by virtue of which their debts (including the interest accrued thereon) on the reference date of August 8 2017 was split into Part A debt which was serviceable from the reference date and Part B Debt, which was converted into 0.01% Optionally Convertible Debentures (OCD) with a 7% IRR repayable over a period of 10 years commencing from the 6th year. Further in FY 19, Implementation from LIC (Life Insurance Coproration of India) & GIC (General Insurance Coproration of India) was completed as per the scheme and Units of OCD under Part B Debt was issued by the company. As part of the above S4A scheme, lenders of the company had converted Part B debt from Working Capital Term Loan (WCTL) , Working Capital facilities (CC) , Non Convertible Debentures (NCD) & Short Term Loans (STL) facilities into various tranches of Optionally Converted Debentures (OCD). The tranche wise details of OCD allotted during the year and outstanding as on March 31, 2020 are as follows -

Tranche 1. (WCTL) ₹ 1,303.00 million (P.Y. ₹ 1,946.36 million) ,Tranche 2 (CC) ₹ 2,532.51 million (P.Y. ₹ 2,765.81 million) , Tranche 3 (GIC OCD) ₹ 43.90 million (P.Y ₹ 43.90 million), Tranche 4 (SCB STL) ₹ 50.00 million (P.Y. ₹ 253.00 million) Tranche 5 (NCD) ₹ 1.30 million (P.Y. ₹ 1.30 million), Tranche 7 (LIC) ₹ 708.30 million (P.Y. ₹ 708.30 million) & Tranche 9. (STL) ₹ 349.00 million (P.Y. ₹ 349.00 million). These debentures have a face value of ₹ 1000 each aggregating to ₹ 4987.91 million as on March 31, 2020 (P.Y. ₹ 6067.75 million).

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

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

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

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

Tranche 5 is secured agaisnt the pledge of 93,50,927 shares (P.Y. 93,50,927 shares) of Patel Engineeering Limited. held by Mr. Pravin Patel and promoters of the Company.

Tranche 4 & Tranch 9 is secured against the same security as for STL of SCB & DBS respectively - refer note 17 - 1) below in Short Term Loans Note 21.

Notes to Standalone Financial Statement for the year ended March 31, 2020

c) As per Section 71 of the Companies Act, 2013 the Company had created adequate debenture redemption reserve ('DRR') for the above series of secured redeemable non convertible debenture. However, Ministry of Corporate Affairs('MCA') has issued the notification of DRR on August 16, 2019 which exempt the DRR requirement to a listed entities. On the basis of this notification, company has transferred DRR balance to General Reserve. Further, in terms section 71 read with Rule 18(7)(c) of Companies Share Capital and Debentures Rules, 2014, no deposit / investment was made by the Company as there are no additional debentures which are maturing during the next year 2020-21.

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. Pravin Patel and Mr. Rupen Patel, promoter in their personal capacity and Ms. Sonal Patel, Mr. Bhim Batra and Mr. Muthu Raj to the extent of the value of the property owned by them, has provided personal guarantees for WCTL. Also there is a charge on escrow accounts of Company, wherein cashflows will be deposited from real estate projects to be developed/monetized by respective companies, pledge of 93,50,927 shares (P.Y. 93,50,927 shares) of Patel Engineering Limited held by Mr. Pravin Patel and promoters and 49% Share holding of Hitodi Infrastructures Ltd. held by the Company. The WCTL Term loans are repayable over 1 to 4 years starting FY 2020 to FY 2023 and presently there are no interest and principal overdue for repayment & outstanding for such loans taken by the company as on March 31, 2020. The rates of interest for these loans vary between 10%- 13% (floating) linked to Monitoring Institution's base rate.

Due to Covid – 19 pandemic situation, Reserve Bank of India has granted moratorium for all interest and principal payments from March 1, 2020 to August 31, 2020 and the same shall not be treated as default as per RBI circular no. RBI/2019-20/186 dated March 31, 2020 and RBI/2019-20/244 dated May 23, 2020 on Covide 19- Regulatory Package.

3 From Others

The Term Loan of ₹ 627.21 million includes loans from Financial Institutions on Equipments, secured against the said equipments. These loans carried an interest rate of average between 13%-14% on an average, with a repayment period of 3-5 years . This Term Loan 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 as on March 31, 2020. The said amounts are inlcuded in current maturity of long term debt. The above amount also incudes ₹ 280.0 million. (P.Y. 280.0 million) as finance lease against equipments carring an interest rate of 12.50 % with repayment up to 4 years ending October 2023 and starting from September 2020 (earlier May 2020, refer above para 15.2a) for Covid-19 package.

4 From Related Parties

The amount payable to promoters of the company which is unsecured.

NOTE : 16
ASSETS CLASSIFIED AS HELD FOR SALE

	Non-Current	
	March 31, 2020 ₹ Million	**March 31, 2019 ₹ Million**
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,123.30	3,061.89
Capital creditors	179.15	42.89
	3,302.45	**3,104.78**

Notes to Standalone Financial Statement for the year ended March 31, 2020

NOTE : 17
OTHER FINANCIAL LIABILITIES

	Non-Current	
	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Retention deposits (contractually to be refunded after 1 year from completeion of work)	1.77	4.38
	1.77	**4.38**

NOTE : 18
PROVISIONS

	Non-Current		Current	
	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Provision for Employee Benefits (Refer note no 32)				
Provision for gratuity	23.16	8.06	0.32	0.19
Provision for leave entitlements	68.92	50.96	21.72	11.69
Provision for taxation	60.46	-	-	-
	152.54	**59.02**	**22.04**	**11.88**

NOTE : 19
OTHER NON CURRENT LIABILITY

	Non-Current	
	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Contractee advances	3,499.32	4,912.51
Deposits	232.88	147.59
Other liability	1,921.54	1,578.39
	5,653.74	**6,638.49**

NOTE : 20
DEFERRED REVENUE

	Non-Current	
	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Deferred revenue	75.59	55.04
	75.59	**55.04**

Notes to Standalone Financial Statement for the year ended March 31, 2020

NOTE : 21
BORROWINGS

		Current	
		March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
I	**Secured loans**		
	Short term loans[1]		
	- From bank	703.82	954.29
	- From Other	180.00	-
	Loans repayable on demand		
	- From bank [2]	10,737.29	10,653.50
II	**Unsecured loans**		
	- From others	-	42.67
	- From related parties[3]	787.95	1,091.09
		12,409.07	**12,741.55**

Short Term Loan

1 Includes short term loans from various banks against various immovable properties of company at interest rate of 11.60% - 12.75% (PY 11.60% - 12.75%) due for rollover in next financial year. Presently there are no interest and principal overdue for repayment & outstanding for such loans taken by the company as on March 31, 2020.

Includes short term loans from others at interest rate of 15.00% due for rollover in next financial year. Presently there are no interest and principal overdue for repayment & outstanding for such loans taken by the Company as on March 31, 2020.

2 **Loans Repayable on Demand**

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

Terms of Repayment:

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

3 **Unsecured Loan**

It includes short term inter corporate payables to releated parties of ₹ 787.95 million (P.Y. ₹ 1,091.09 million).

NOTE : 22
TRADE PAYABLES

	Current	
	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Total outstanding dues of micro enterprises and small enterprises [1]	23.92	16.90
Total outstanding dues of creditors other than micro enterprises and small enterprises	13,022.11	8,822.49
	13,046.03	8,839.39

1 The Company has ₹ 23.92 million (PY ₹ 16.90 million) due to suppliers under the Micro small and Medium Enterprise Development Act, 2006, as at March 31, 2020. Principal amount due to suppliers under the Act is ₹ 15.24 million (P.Y. ₹ 13.18 million). Interest accrued and due to the suppliers on the above amount is ₹ 4.42 million (PY ₹ 0.78 million). Payment made to the suppliers (other than interest) beyond appointed day during the year is ₹ 19.21 million (PY ₹ 7.52 million). Interest paid to the suppliers under the Act is Nil (PY ₹ Nil). Interest due and payable to the suppliers under the Act towards payments already made is ₹ 0.79 million

(PY ₹ 0.71 million). Interest accrued and remaining unpaid at the end of the accounting year is ₹ 0.79 million (PY ₹ 1.50 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 ₹ 3.48 million (P.Y. ₹ 2.22 million).

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

NOTE : 23
OTHER FINANCIAL LIABILITIES

	Current	
	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Current maturities of long-term debt	348.82	315.77
Interest accrued but not due on borrowings	843.19	648.33
Interest accrued and due on borrowings	249.68	265.03
Unpaid dividend	-	0.21
Deposits	168.71	127.79
	1,610.39	**1,357.13**

Company has transferred ₹ 0.21 million (P.Y. ₹ 0.51 million) to Investor Education & Protection Fund as at March 31, 2020.

NOTE : 24
OTHER CURRENT LIABILITIES

			Current	
			March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
(a)	**Other Liabilities**			
	Contractee advances		5,018.69	4,978.80
	Other payables			
	Payable to employees		452.27	367.99
	Other liabilities		2,607.44	2,500.24
(b)	**Balance in current account**			
	(i)	With subsidiaries, associates	1.14	3.04
	(ii)	With joint ventures	417.58	58.94
			8,497.12	**7,909.02**

Notes to Standalone Financial Statement for the year ended March 31, 2020

NOTE : 25
REVENUE FROM OPERATIONS

		March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
(a)	**Revenue/turnover**	23,166.56	19,604.04
	Add: Increase/(decrease) in work in progress	(711.14)	1,041.63
	Sale of goods	89.76	23.31
	Total turnover	**22,545.18**	**20,668.98**
(b)	**Other operating income**		
	Lease and service charges	1.14	1.91
	Miscellaneous operating income	784.26	28.01
		23,330.59	**20,698.90**

Disaggregation of revenue on the basis of	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Primary geographical market wise		
Domestic	20,486.18	18,868.09
International	2,844.42	1,830.81
Major product/service lines wise		
EPC	23,323.30	19,312.40
Real Estate	7.30	1,386.50
Timing of revenue recognition wise		
At a point in time	882.46	1,439.72
Over period of time	22,448.12	19,259.17

NOTE : 26
OTHER INCOME

	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Gain on sale of assets (net)	14.99	53.84
Other non operating income	242.59	290.33
Interest income	2,242.96	1,981.38
Net gain on foreign currency translation	160.71	100.23
Excess credit written back	833.85	436.28
	3,495.11	**2,862.06**

Notes to Standalone Financial Statement for the year ended March 31, 2020

NOTE : 27
COST OF CONSTRUCTION

	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Stores, embedded goods and spare parts *		
Inventories at the beginning of the year	1,211.00	1,112.76
Add : Purchase (net)	4,246.82	2,238.20
	5,457.82	**3,350.96**
Less : Inventories at the end of the year	1,423.43	1,211.00
Consumption of stores and spares	**4,034.39**	**2,139.96**
Purchase of land / development rights	14.68	290.99
Corpus fund to society	-	48.29
Piece rate expenses (net)	11,224.36	10,274.70
Repairs to machinery	37.81	17.40
Transportation, hire etc.	605.21	462.61
Power, electricity and water charges	646.79	517.42
Project developement cost	137.21	122.54
Technical consultancy fees	753.55	134.86
Other construction costs	1,563.71	956.79
	19,017.70	**14,965.56**

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

NOTE : 28
EMPLOYEE BENEFITS EXPENSE

	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Salaries, wages and bonus	1,607.08	1,346.43
Contribution to provident and other funds (refer note no 32)	122.56	99.23
Employee stock option (ESOP) (refer note no 33)	4.09	7.82
Staff welfare expenses	84.90	97.50
	1,818.63	**1,550.98**

NOTE : 29
FINANCE COSTS

	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Interest expense [1]	2,785.56	2,807.48
Other borrowing costs	523.49	417.75
	3,309.05	**3,225.24**

1 Interest capitalised of ₹ 137.11 million (P.Y. ₹ 125.33 million) towards fixed assets and project development expenses.

Notes to Standalone Financial Statement for the year ended March 31, 2020

NOTE : 30
OTHER EXPENSES

	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Other administrative costs		
Rent	50.37	64.23
Repairs and maintenance - building	0.00	14.90
Insurance	83.97	76.25
Rates and taxes	243.57	215.66
Advertisement and selling expenses	1.84	6.11
Travelling and conveyance	47.57	52.49
Directors fees	1.75	1.20
Auditor's remuneration		
Audit fees	5.29	4.93
Certification	0.70	0.71
Reimbursement of expenses	-	-
	5.99	**5.64**
Communication expenses	14.40	15.11
Printing and stationery	12.18	11.00
Legal and consultancy charges	332.05	301.95
Loss on sale of asset discarded	1.43	0.01
Irrecoverable debts written off / provided	118.66	291.39
Sewage water disposal	0.20	2.19
Other expenses	477.10	330.92
	1,391.08	**1,389.05**

NOTE : 31
EXCEPTIONAL ITEMS :

	March 31, 2020 ₹ Million	March 31, 2019 ₹ Million
Investment / loans and advances written off	-	7.25
Provision for impairment on loan and advances	-	940.59
Gain on conversion of loan liability in debt	-	(103.50)
	-	**844.34**

Notes to Standalone Financial Statement for the year ended March 31, 2020

32 EMPLOYEE BENEFITS

I Brief description of the Plans

The Company provides long-term benefits in the nature of provident fund and gratuity to its employees. In case of funded schemes, the funds are recognized by the income tax authorities and administered through appropriate authorities/insurers. The Company's defined contribution plans are provident fund, employee state insurance and employees' pension scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) since the Company has no further obligation beyond making the contributions. The Company's defined benefit plans include gratuity benefit to its employees, which is funded through the Life Insurance Corporation of India. The employees of the Company are also entitled to leave encashment and compensated absences as per the Company's policy. The Provident fund scheme additionally requires the Company to guarantee payment of specified interest rates, any shortfall in the interest income over the interest obligation is recognised immediately in the statement of profit and loss as actuarial loss. Any loss/gain arising out of the investment with the plan is also recognised as expense or income in the period in which such loss/gain occurs.

II Disclosures for defined benefit plan based on actuarial reports as on March 31, 2020 and March 31, 2019:

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

₹ Million

	Gratuity (Funded)	Gratuity (Non - funded)	Leave Encashment (Non - funded)
Current service cost	14.86	4.23	22.84
	(14.45)	(3.34)	(20.20)
Interest cost (net)	3.35	0.69	4.66
	(2.51)	(0.90)	(4.82)
Net actuarial (gain) / losses	10.61	2.23	6.48
	(-1.59)	(-4.46)	(-25.41)
Total expenses recognized in the statement of profit and loss	**28.82**	**7.14**	**33.98**
	(15.37)	**(-0.22)**	**(-0.39)**

(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)	Leave Encashment (Non - funded)
Present value of funded obligation as at the year end	(118.80)	(15.86)	(90.59)
	(-92.88)	(-8.85)	(-59.83)
Fair value of plan assets as at the year end	51.30	-	-
	(49.85)	-	-
Funded liability recognized in the balance sheet	**(67.50)**	**(15.86)**	**(90.59)**
	(-43.03)	**(-8.85)**	**(-59.83)**

Notes to Standalone Financial Statement for the year ended March 31, 2020

(iii) Changes in defined benefit obligation :

	Gratuity (Funded)	Gratuity (Non - funded)	Leave Encashment (Non - funded)
Liability at the beginning of the year	92.88	8.85	59.83
	(82.22)	(11.53)	(61.86)
Interest cost	7.24	0.69	4.66
	(6.40)	(0.90)	(4.82)
Current service cost	14.86	4.23	22.84
	(14.45)	(3.34)	(20.20)
Benefit paid	(4.35)	(0.14)	(3.22)
	(-7.59)	(-2.47)	(-1.65)
Actuarial (gains) / losses on obligations	8.18	2.23	6.48
	(-2.60)	(-4.46)	(-25.41)
Liability at the end of the year	**118.80**	**15.86**	**90.59**
	(92.88)	**(8.84)**	**(59.82)**

(iv) Changes in the fair value of plan assets:

	Gratuity (Funded)	Gratuity (Non - funded)	Leave Encashment (Non - funded)
Fair value of plan assets at the beginning of the year	49.85	-	-
	(49.98)	-	-
Expected return on plan assets	3.88	-	-
	(3.89)	-	-
Contributions by the employer	4.35	-	-
	(4.58)	-	-
Benefit paid	(4.35)	-	-
	(-7.59)	-	-
Actuarial gain on plan assets	(2.43)	-	-
	(-1.01)	-	-
Fair value of plan assets at the end of the year	51.30	-	-
	(49.85)	-	-
Total actuarial gain to be recognized	**10.61**	**-**	**-**
	(-1.59)	**-**	**-**

(v) **Actual return on plan assets**

	Gratuity (Funded)	Gratuity (Non - funded)	Leave Encashment (Non - funded)
Expected return on plan assets	3.88	-	-
	(3.89)	-	-
Actuarial gain on plan assets	(2.43)	-	-
	(-1.01)	-	-
Actuarial gain on plan assets	1.45	-	-
	(2.88)	-	-

(vi) **The Company expects to contribute ₹ 47.31 million (P.Y.₹ 42.86 million) to gratuity funded plan in FY 2020-21.**

(vii) **Percentage of each category of plan assets to total fair value of plan assets:**

	Gratuity (Funded)	Gratuity (Non - funded)	Leave Encashment (Non - funded)
Insurer managed funds	100%		
	100%		

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

	Gratuity (Funded)	Gratuity (Non - funded)	Leave Encashment (Non - funded)
Discount rate	6.86%	6.82%	6.89%
	(7.79%)	(7.79%)	(7.79%)
Rate of increase in compensation levels	5.00%	5.00%	5.00%
	(5.00%)	(5.00%)	(5.00%)
Expected rate of return on plan assets	6.86%	-	-
	(7.79%)	-	-
Attrition rate	2.00%	2.00%	2.00%
	(2.00%)	(2.00%)	(2.00%)
Average Age of retirement (years)	60	58	58
	(60)	(58)	(58)

(ix) **Experience adjustments**

	Gratuity (Funded)	Gratuity (Non - funded)	Leave Encashment (Non - funded)
On plan obligation (gain)/loss	(0.47)	0.30	0.50
	(2.52)	(-3.01)	(-25.43)
On plan asset (loss)/gain	2.43	-	-
	(-1.01)	-	-

Notes to Standalone Financial Statement for the year ended March 31, 2020

(x) **Maturity profile of defined benefit obligation**

	Gratuity (Funded)	Gratuity (Non - funded)
1 years	20.31	0.32
	(15.08)	(0.19)
Between 2 to 5 years	25.93	2.07
	(22.36)	(1.26)
Beyond 5 years	201.88	47.98
	(179.14)	(30.55)
The weighted average duration of the defined benefit plan obligation at the end of the reporting period (years)	10	18
	(10)	(16)

(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 ₹ 122.56 million (P.Y. ₹ 99.23 million)

33 SHARE BASED PAYMENTS (IND AS 102)

In term of the approval of Nomination and Remuneration Committee (NRC), the company on February 14, 2018 has granted 2,00,000 option under the company's existing ESOP plan. The aforesaid grant is made under "Patel Engineering Employees Stock Option Plan" dated August 14, 2015 and in accordance with the provision of SEBI (Share Based Employee Benefits), Regulation 2014.

a) **Employee stock option scheme**

Particulars	**ESOP scheme**
Number of option granted	200000
Vesting plan	4 years (25% every year after 1 year from date of grant)
Exercise period	6 months from the date of vesting
Grant date	February 14, 2018
Exercise price (₹ per option)	1
Weighted average fair value on the date of grant option (in ₹ per shares)	79.86
Method of settlement	Equity

b) **Movement of option granted**

Particulars	**As at March 31, 2020 Nos.**	**As at March 31, 2019 Nos.**
Outstanding at the beginning of the year	200,000	200,000
Grant during the year	-	-
Excercised during the year	50,000	-
Cancelled during the year	-	-
Lapsed during the year	-	-
Outstanding at the end of the year	150,000	200,000
Exercisable at the end of the year	50,000	50,000
Weighted average life of options	2 years	3 years

c) **Fair valuation:**

The fair value on the grant date is determined using "Black Scholes Merton Model", which takes into account exercise price, term of the option, share price at grant date and expected price volatility of the underlying shares, expected dividend yield and risk free interest rate for the term of the option. No options were granted during the year. Weighted average fair value of the options granted previous year ₹ 79.86/-.

The key assumptions in the black scholes merton model for calculating fair value as on the date of grant is below:

i)	Share price at grant date	₹ 80.70/-
ii)	Weighted average exercise price	₹ 1/-.
iii)	Grant date	February 14, 2018
iv)	Vesting period	4 years (25% every year after 1 year from date of grant)
v)	Expected price volatility of Company's share	50%
vi)	Expected dividend yield	Nil
vii)	Weighted average risk free interest rate	7.02%
viii)	Option life	Vesting period + exercise period

34 LEASE

Disclosure as per IND AS 116

Amount recognised under statement of profit and loss

₹ Million

Particulars	2019-20
Depreciation	142.28
Interest on lease liability	109.27
Expenses related to short term leases	50.37
Total expenses	**301.92**

Disclosure as per IND AS 17

Where the Company is leasee:

a) **Operating leases:**

The Company has taken various construction equipments under non cancellable operating leases. The future minimum lease payment in respect of these as at March 31, 2019 are as follows:

₹ Million

Minimum lease obligation payable as at March 31	2019
a) within one year of the balance sheet date	120.16
b) due in a period between one year and five years	108.79
c) due after five years	-

The operating lease arrangements are renewable on a periodic basis and provide for an option to the Company to renew the lease at the end of the non cancellable period. There is no exceptional / restrictive covenants under the lease arrangement.

Notes to Standalone Financial Statement for the year ended March 31, 2020

b) Finance Leases:

Assets acquired on finance lease comprises of plant and equipment & vechiles. The leases have a primary period, which is fixed and non- cancellable. The company has an option to renew the lease for a secondary period.

The minimum lease rental and the present value of minimum lease payments in respect of assets acquired under finance leases are as follows:

₹ Million

Obligation payable as at March 31,		Minimum lease payment 2019	Present value of minimum lease payment 2019
a)	within one year of the Balance Sheet date	35.00	-
b)	due in a period between one year and five years	356.19	280.00
c)	due after five years	-	-
	Total (a + b + c)	**391.19**	**280.00**
	Less: Future Finance Charges	111.19	-
	Present value of minimum lease payments	**280.00**	**280.00**

35 EARNING PER SHARE (EPS)

	2020 ₹ Million	2019 ₹ Million
Net profit as per the statement of profit and loss available for shareholders for both basic and diluted earnings per shares of ₹ 1 Each	371.68	828.74
Weighted average number of equity shares for basic EPS (in No)	285,314,066	158,803,177
Add: Weighted average potential equity shares		
- On issue of optionallly convertiable debentures	469,132,208	214,669,193
- On issue of zero coupon optionallly convertiable preference shares	150,811	-
Weighted average number of equity shares for diluted EPS (in No)	754,597,085	373,472,370
Earning per share (Basic) ₹	1.30	5.22
Earning per share (Diluted) ₹	0.89	2.97

36 RELATED PARTY DISCLOSURE

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

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

Direct subsidiaries

1. Patel Energy Resources Ltd
2. Michigan Engineers Pvt Ltd
3. Shreeanant Construction Pvt. Ltd.
4. Energy Design Pvt. Ltd.
5. Patel Lands Ltd.

17. Patel Engineering (Mauritius) Ltd.
18. Patel Engineering (Singapore) Pte. Ltd.
19. Patel Engineering Inc
20. Zeus Minerals Trading Pvt. Ltd.
21. Patel KNR Infrastructure Ltd

6. Patel Patron Pvt. Ltd.
7. Patel Engineers Pvt. Ltd.
8. Pandora Infra Pvt. Ltd.
9. Shashvat Land Projects Pvt. Ltd.
10. Patel Engineering Lanka Pvt. Ltd
11. Vismaya Constructions Pvt. Ltd.
12. Bhooma Realties Pvt. Ltd.
13. Friends Nirman Pvt. Ltd.
14. Patel Concrete and Quarries Pvt. Ltd.
15. ASI Constructors Inc (Till March 25, 2020)
16. Patel Engineering Infrastructure Ltd.
22. Apollo Buildwell Pvt. Ltd.
23. Arsen Infra Pvt. Ltd.
24. Hera Realcon Pvt. Ltd.
25. Lucina Realtors Pvt. Ltd.
26. PBSR Developers Pvt. Ltd.
27. Waterfront Developers Ltd.
28. Hampus Infrastructure Pvt. Ltd.

Subsidiaries of Waterfront Developers Ltd.
Les Salines Development Ltd.

Subsidiaries of Les Salines Development Ltd.
La Bourgade Development Ltd.
Ville Magnifique Development Ltd.
Sur la Plage Development Ltd.

Subsidiaries of Patel Engineers Private Limited
Phedra Projects Pvt. Ltd.

Subsidiaries of Patel Energy Resources Limited

1. Patel Hydro Power Pvt. Ltd.
2. PEL Power Ltd.
3. Patel Energy Assignment Pvt. Ltd.
4. Patel Energy Projects Pvt. Ltd.
5. Patel Energy Operations Pvt. Ltd.
6. Patel Thermal Energy Pvt. Ltd.
7. PEL Port Pvt. Ltd.
8. Patel Energy Ltd.
9. Jayshe Gas Power Pvt. Ltd.
10. Naulo Nepal Hydro Electric Pvt. Ltd.

Subsidiaries of Patel Hydro Power Pvt. Ltd.

1. Dirang Energy Pvt. Ltd. (DEPL)
2. West Kameng Energy Pvt. Ltd.
3. Digin Hydro Power Pvt. Ltd.
4. Meyong Hydro Power Pvt. Ltd.
5. Saskang Rong Energy Pvt. Ltd.

Subsidiaries of Patel Engineering (Singapore) Pte Ltd.

1. Patel Surya (Singapore) Pte. Ltd.
2. PT PEL Minerals Resources
3. Patel Param Minerals Pte Ltd.
4. Patel Param Energy Pte Ltd.
5. Patel Param Natural Resources Pte Ltd.

Notes to Standalone Financial Statement for the year ended March 31, 2020

Subsidiary of Patel Surya (Singapore) Pte. Ltd.

PT Surya Geo Minerals

Subsidiary of PT PEL Minerals Resources

PT Patel Engineering Indonesia

Subsidiary of Patel Param Minerals Pte Ltd.

PT Patel Surya Minerals

Subsidiary of Patel Param Energy Pte Ltd.

PT Patel Surya Jaya

Subsidiary of Patel Param Natural Resources Pte Ltd.

PT Surpat Geo Minerals

Subsidiaries of Patel Engineering Inc

1. ASI Global LLC
2. ASI Constructors Inc (From March 25, 2020)

Subsidiary of Patel Engineering (Mauritius) Ltd.

Patel Mining (Mauritius) Ltd.

Subsidiaries of Patel Mining (Mauritius) Ltd.

1. Enrich Mining Vision Lda
2. Patel Mining Priviledge, Lda
3. Patel Infrastructure, Lda
4. Trend Mining Projects, Lda
5. Accord Mines Venture,Lda
6. Netcore Mining Operations,Lda
7. Metalline Mine Works,Lda
8. Patel Mining Assignments, Lda
9. Chivarro Mines Mozambique,Lda
10. Fortune Mines Concession,Lda
11. Omini Mines Enterprises,Lda
12. Quest Mining Activities, Lda

Direct Associates:

1. ACP Tollways Pvt. Ltd.
2. Raichur Sholapur Transmission Company Pvt. Ltd.
3. PAN Realtors Pvt.Ltd.
4. Bellona Estate Developers Ltd. (BEDP)
5. Hitodi Infrastructure Private Ltd
   (Formally known as Hitodi Infrastructure Ltd)

Associate of Patel Engineering Infrastructure Ltd.

1. Patel KNR Heavy Infrastructure Ltd.

Joint Ventures: refer note (42)

Partnership

1. AHCL PEL
2. Patel Advance JV

Others

1. Raahitya Constructions Private Limited (Formally known as Patel Corporation LLP)
2. Praham India LLP
3. Patel Realty - Ashoka Developers LLP (Struck off as on January 10, 2019)

B. Key Management Personnel (KMP)

Mr. Rupen Patel	Chairman and Managing Director
Mr. Sunil Sapre	Whole Time Director
Mr. Chittaranjan Kumar Singh	Whole Time Director, Operations
Ms. Kavita Shirvaikar	Whole Time Director and Chief Financial Officer
Ms. Shobha Shetty	Company Secretary

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

₹ Million

Particular	Subsidiary companies		Associates/ joint ventures / partnership/others	
	2019-20	2018-19	2019-20	2018-19
- Investment in equity / preference shares	688.15	1,003.42	-	-
- Miscellaneous receipts	4.90	4.91	4.21	10.29
- Loans/advances given	156.15	603.00	80.34	802.87
- Loans / advances recovered	774.22	1,550.03	133.68	69.05
- Corporate guarantee outstanding as at the end of the year	1,778.94	2,189.96	5,390.77	4,860.23
- Bank guarantee outstanding as at the end of the year	695.61	695.61	549.72	549.72
- Outstanding balance included in current/ non current assets	12,350.15	10,690.37	909.29	1,296.36
- Outstanding balance included in current / non current liabilities	907.81	1,834.75	476.11	2,782.34
- Reimbursement of expenses from	3.99	3.79	12.97	250.60
- Rent paid	3.68	3.68	-	-
- Interest income	1,326.46	1,286.22	6.36	20.03
- Sundry balances written off	14.75	9.71	26.63	0.83
- Refund of mobilisation advance	579.32	10.00	-	-
- Provision for impairment of investment	0.99	-	-	-
- Provision for impairment of loans and advances	134.29	24.57	-	916.03
- Sale of asset	-	17.86	-	0.01
- Repayment of loan	20.00	-	1,500.00	-
- Preferntial allotement of shares	-	-	539.97	-
- Repayment of machinery advances	347.48	-	-	-

Notes to Standalone Financial Statement for the year ended March 31, 2020

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

₹ Million

Particular	Name of the Company	2019-20	2018-19
- Investment in equity / preference shares	Patel Energy Resources Ltd	688.15	1,002.40
- Miscellaneous receipts	PEL Power Ltd.	4.49	4.49
	Patel-Michigan JV	4.13	2.15
	CICO Patel JV	0.00	0.00
- Loans/advances given	Energy Design Pvt. Ltd	-	505.97
	Patel SEW JV	80.32	84.42
	Hitodi Infrastructure Ltd	-	696.14
	Raichur Solapur Transmission Co.	0.01	-
	Patel Energy Ltd.	23.10	-
	PBSR Developers Pvt. Ltd.	78.34	-
	Bellona Estate Developers Ltd.	26.63	-
- Loan/ advances recovered	Patel Energy Resources Ltd.	688.15	1002.40
	Energy Design Pvt. Ltd	-	501.52
	Hitodi Infrastructure Ltd.	-	0.06
	Raichur Solapur Transmission Co.	-	1.94
	Patel SEW JV	121.70	39.73
	Patel KNR JV	-	11.40
- Reimbursement of expenses from	PEL Power Ltd.	3.18	3.17
	Patel Michigan JV	3.43	1.57
	CICO PATEL JV	-	0.00
	Dirang Energy Pvt. Ltd.	0.62	0.62
	Hitodi Infrastructure Ltd	8.86	249.18
- Rent paid	PEL Power Ltd.	3.68	3.68
- Interest income	Patel Energy Resources Ltd.	641.51	657.33
	CICO Patel JV	-	0.00
	Patel Michigan JV	1.84	1.84
	Raichur Solapur Transmission Company Pvt. Ltd.	4.35	1.66
	Hitodi Infrastructure Ltd.	-	16.41
	Patel SEW JV	-	0.12
	PEL Power Ltd.	133.61	-
- Sundry balances written off	Bellona Estate Developers Ltd.	26.63	0.83
	Dirang Energy Pvt. Ltd.	14.75	7.25
	Patel Energy Resources Ltd.	-	2.47
- Refund of mobilisation advance	Michigan Engineers Pvt. Ltd.	-	10.00
	Dirang Energy Pvt. Ltd.	579.32	-
- Provision for impairment of investment	Apollo Buildwell Pvt. Ltd.	0.50	-
	Hera Realcon Pvt. Ltd.	0.49	-
- Provision for impairment of loans and advances	Apollo Buildwell Pvt. Ltd	15.96	21.06
	Energy Design Pvt. Ltd	70.04	-

₹ Million

Particular	Name of the Company	2019-20	2018-19
	Shreeanant Construction Pvt. Ltd.	47.06	-
	Naulo Nepal Hydro Electric Pvt. Ltd	-	3.51
	Bellona Estate Developers Ltd	-	850.00
	Patel Advance JV	-	66.03
- Sale of assets	Friends Nirman Pvt. Ltd.	-	17.86
	Patel Sew JV	-	0.01
- Repayment of loan	Michigan Engineers Pvt. Ltd.	20.00	-
	Raahitya Constructions Private Limited	1,500.00	-
- Preferntial allotement of shares	Praham India LLP	539.97	-
- Repayment of machinery advances	Dirang Energy Pvt. Ltd.	347.48	-

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

₹ Million

Particular	2019-20	2018-19
Managerial remuneration	73.99	77.09
Salary and contribution to provident fund	4.16	3.91
Loan taken	-	2.50
Loan repaid	300.00	3.50
ESOP	4.09	7.82
Outstanding balance payable	28.06	317.67
Outstanding balance receivable	4.05	4.40

37 SEGMENT REPORTING

Based on the “management approach” as defined in Ind AS 108 – Operating Segments, the Chairman and Managing Director / Chief Financial Officer evaluates the Company’s performance and allocate resources based on an analysis of various performance indicators by business segment. Accordingly information has been presented along these segments. The accounting principles used in the preparation of the financial statement are consistently applied in individual segment to prepare segment reporting.

Primary segment :

₹ Million

Particulars	As at March 31, 2020		
	Business segments		
	EPC	Real estate	Total
Segment revenue	23,323.30	7.30	23,330.60
Segment results	526.37	85.60	611.97
Segment assets	72,151.00	4,600.20	76,751.20
Segment liabilities	49,924.18	1,126.20	51,050.38
Addition to fixed assets	916.98	-	916.98
Segment depreciation	585.60	0.67	586.27

Notes to Standalone Financial Statement for the year ended March 31, 2020

₹ Million

Particulars	As at March 31, 2019		
	Business segments		
	EPC	Real estate	Total
Segment revenue	19,312.40	1,386.50	20,698.90
Segment results	983.10	170.40	1,153.50
Segment assets	67,039.40	4,609.90	71,649.30
Segment liabilities	47,075.80	1,534.60	48,610.40
Addition to fixed assets	658.43	-	658.43
Segment depreciation	407.27	1.99	409.25

Geographical segment :

₹ Million

Particulars	As at March 31, 2020		
	Within India	Outside India	Total
Revenue	20,486.18	2,844.42	23,330.60
Non current assets	33,523.49	1,536.91	35,060.40

₹ Million

Particulars	As at March 31, 2019		
	Within India	Outside India	Total
Revenue	18,868.09	1,830.81	20,698.90
Non current assets	31,296.48	180.94	31,477.42

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, 2020	As at March 31, 2019
Revenue from top customer	4,356.42	2,285.82
Revenue from top five customers	11,645.10	7,867.95

38 "World Health Organisation (WHO) declared outbreak of Corona virus disease (COVID -19) a global pandemic in March, 2020. Consequent to this, Government of India declared nationwide lockdown on March 23, 2020. This has impacted the normal business operations of the Company by way of interruption in project execution, supply chain disruption etc.

Regarding estimation of uncertainties relating to this pandemic, the Company has considered various sources of information, internal and external, including economic forecasts, Government measures and industry reports, upto the date of approval of the financials statements, in determining the impact on various elements of its financial statements. The company has applied assumptions, judgements, estimates; used the principles of prudence and based on the same, the Company expects to recover the carrying amount of trade receivables incuding unbilled receivables and workdone, investments and other assets. The eventual outcome of the pandemic may be different from those estimated on the date of approval of these financial statements, the Company will continue to monitor developments to identify significant uncertainties in future periods, if any.

39 CORPORATE SOCIAL RESPONSIBILITY EXPENSES

A) In terms of provisions of Section 135 of the Companies Act 2013 and Rules made thereunder, the company is required to spend an amount of ₹ 37.07 millions (P.Y. ₹ 24.31 millions) during the financial year on corporate social responsibility (CSR). The company incurred an amount of ₹ 32.70 millions towards CSR expensiture and unspent amount of CSR is ₹ 4.37 millions.

B) Break up of amount spent during the year

	Particulars	In cash	Yet to be paid in cash	Total
	As on March 31, 2020			
i)	Construction/acquisition of any assets	-	-	-
ii)	Purposes other than (i) above	32.70	-	32.70
	Total	**32.70**	**-**	**32.70**
	As on March 31, 2019			
i)	Construction/acquisition of any assets	-	-	-
ii)	Purposes other than (i) above	-	-	-
	Total	**-**	**-**	**-**

C) During the year, company does not incurrd any expenditure on account of corporate social responsibility with related parties.

D) Provision movement during the year

Particulars	As at March 31, 2020	As at March 31, 2019
Opening provision	-	-
Addition during the year	32.70	-
Utilised during the year	32.70	-
Closing provision	-	-

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

41 Confirmation letters have been sent in respect of sundry debtors / loans and advances / sundry creditors of which certain confirmations have been received which are accordingly accounted and reconciled. The remaining balances have been shown as per books of accounts and are subject to reconciliation adjustments, if any. In the opinion of the Management, the realizable value of the current assets, loans and advances in the ordinary course of business will not be less than the value at which they are stated in the balance sheet.

Notes to Standalone Financial Statement for the year ended March 31, 2020

42 Contracts executed by the following joint ventures / consortiums are accounted for as per the accounting policy no. (k).

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 Private Limited & 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%
Joint ventures :		
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%

43 a) Unbilled work in progress includes stock of land under development (including held in the name of the directors/relatives of directors/employees, as nominees of the Company).

b) Arbitration awards received in favour of the Company amounting to ₹ 359.86 million (P.Y. ₹ 49.74 million) is accounted for as construction receipts.

44 Derivative transactions :

Foreign currency exposure that are not hedged by derivative instruments as on March 31, 2020 amounting to ₹ 1,873.91 million (P.Y ₹ 704.32 million).

Currency	Foreign currency exposure outstanding at ₹ Million	
	March 31, 2020	March 31, 2019
USD	2,311.84	1,248.60
EURO	(525.18)	(483.27)
SGD	(8.20)	(7.99)
JPY	25.06	22.69
MUR	76.39	72.51
LKR	16.40	15.26
NPR	(22.40)	(163.48)

45 The Company's pending litigations comprise of claims by or against the Company primarily by the customers / contractors/suppliers, etc. and proceedings pending with tax and other government authorities. The Company has reviewed its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in it's financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results. In respect of litigations, where the management assessment of a financial outflow is probable, the Company has made adequate provision of ₹ 29.99 million (PY ₹ 6.14 million) and appropriate disclosure for contingent liabilities is given.

46 The Company has granted loans and advances amounting to ₹ 1178.86 million (P.Y. ₹ 1038.27 million) till March 31, 2020 to Waterfront Developers Ltd (WDL) a 100% subsidiary of the company. WDL in turn has invested in Le Salines Development Ltd (LSDL) a step down subsidiary. LSDL had signed an lease agreement with Ministry of Housing and Land Develoment (MOHL) Government of Mauritius (GOM) on December 11, 2009 for development of a Real Estate Development Project called NEOTOWN in Mauritius in the year 2009-10. Subsequently all of a sudden on February 11, 2015 GOM had verbally informed about the termination of lease agreement between LSDL and MOHL without assigning any reason. Formal communication was received by LSDL on June 4, 2015 about the termination of lease from the GOM. Management was of the view that as per the agreement lease cannot be terminated on the grounds of clause mentioned in the termination letter. In this regard a notice had been sent to MOHL Government of mauritius on July 1, 2016 by LSDL contesting wrongful termination. The company did not receive any reply to this letter. The parent company ie. Patel Engineering Ltd had invoked an arbitration under promotion and protection of investment Treaty signed between India and Mauritius against GOM and the company is confident of getting compensation from GOM.

47 Contingent liabilities

(a) Commitment for capital expenditure is ₹ 138.79 million (P.Y. ₹ 154.97 million), advance paid ₹ 35.23 million (P.Y. ₹ 5.50 million). The company is under commitment to construct specific area for land owner related to a project.

(b) Counter indemnities given to banks and others in respect of secured guarantees, etc. on behalf of subsidiaries and others given by them in respect of contractual commitments in the ordinary course of business is ₹ 14,173.91 million (P.Y. ₹ 13,346.87 million) (including Customs ₹ 42.88 million (P.Y. ₹ 23.01million). Corporate guarantees / letter of credit on behalf of subsidiaries and others is ₹ 7169.70 million (P.Y. ₹ 7050.18 million). Net off share of JV partner & provisions already considered in books.

(c) Client has claimed an amount of ₹ 210.8 million (P.Y. ₹ 210.8 million) from us which is pending at the Hon'ble appeal court. However the management feels that the likelihood of outflow of resources is remote.

Notes to Standalone Financial Statement for the year ended March 31, 2020

(d) Service tax and goods and service tax liability that may arise on matters in appeal ₹ 1,348.14 million (P.Y. ₹ 2,395.90 million) and advance paid Nil (P.Y. ₹ 82.92 million). Out of the above, ₹ 760.19 million (P.Y. ₹ 1,881.53 million) is contractually recoverable from the Clients.

(e) Sales tax ₹ 61.43 million (P.Y. ₹ 74.67 million) (advance paid ₹ 1.54 million (P.Y. ₹ 1.60 million)), Cess ₹ 121.69 million (P.Y. ₹ 121.58 million), custom duty ₹ 17.62 million (P.Y. ₹ 17.62 million) (advance paid ₹ ₹ 8.46 million (P.Y. ₹ 8.46 million)).

(f) Income tax liability that may arise on matters in appeal ₹ 2,110.89 million (P.Y. ₹ 1,549.37 million).

(g) Provident fund liability that may arise on matter in appeal ₹ 14.35 million (P.Y. ₹ 9.52 million) and advance paid ₹ 14.35 million (P.Y. 2.38 million)

(h) The Company is subject to legal proceeding and claims, which have arisen in the ordinary course of business, including certain litigation for land acquired by it for construction purpose, the impact of which is not quantifiable. These case are pending with various courts and are scheduled for hearings. After considering the circumstances, manangement believes that these case will not adversely effect its financial statement.

(i) A part of the immovable property belonging to the company shown under inventories has been offered as security in favour of a bank against credit facilities availed by a strategic partner.

(j) The Company has provided a “cost overrun undertaking” for its associates BEDL and DEPL to its lenders.

(k) Entry Tax liabilities on purchase of goods of ₹ 7.45 million (P.Y. ₹ 7.45 million), against which amount of ₹ 0.50 million (P.Y. 0.50 million) and bank guarantee for balance amount have been paid.

(l) On settlement with the vendor, company has given flats of ₹ 50.00 million (P.Y. ₹ 50.00 million) against his outstanding due & also given an assurance that if re-sell price of that flat is lower than settlement price then company will compensate that difference.

(m) Trade receivables to the extent of ₹ 181.10 million (PY. ₹ 405.23 million) have been discounted with bank on recourse basis.

48 Information pertaining to loans given to subsidiaries (information pursuant to regulation 34(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015:

Loans and advances in the nature of loans given to subsidiaries and associates:

₹ Million

	Name of subsidiaries / associates	As at March 31, 2020	As at March 31, 2019	Maximum Amount outstanding (2019 – 20)	Maximum Amount outstanding (2018 – 19)
	Subsidiaries				
1	Michigan Engineers Pvt.Ltd.	51.19	49.55	55.29	49.55
2	Patel Patron Pvt. Ltd.	78.66	68.85	78.66	68.85
3	PEL Power Ltd.	1,067.03	921.39	1,067.34	921.72
4	Patel Energy Ltd.	774.93	658.12	774.93	658.12
5	Patel Engineering (Mauritius) Ltd.	38.24	32.89	38.24	33.62
6	Patel Engineering Infrastructure Ltd.	613.03	536.85	613.03	536.85
7	Phedra Projects Pvt. Ltd.	15.64	13.63	15.64	13.63
8	Vismaya Constructions Pvt. Ltd.	53.05	46.41	53.05	46.41
9	Shashvat Land Projects Pvt. Ltd.	379.64	332.87	379.64	332.87

₹ Million

Name of subsidiaries / associates	As at March 31, 2020	As at March 31, 2019	Maximum Amount outstanding (2019 – 20)	Maximum Amount outstanding (2018 – 19)
10 Bhooma Realties Pvt. Ltd.	446.66	391.66	446.68	391.66
11 Pandora Infra Pvt. Ltd.	545.39	478.25	545.41	478.25
12 Patel Eng. (Singapore) Pte. Ltd.	871.75	-	871.75	-
13 Dirang Energy Pvt. Ltd.	-	-	12.90	-
14 Patel Mining Divn. Lda,	18.85	16.09	18.85	16.41
15 Patel Energy Resources Ltd.	4,882.90	4,927.49	5,272.77	5,624.08
16 Patel Mining (Mauritius) Ltd.	288.46	250.73	288.46	257.03
17 Energy Design Pvt.Ltd.	74.09	74.00	84.45	259.80
18 PT Patel Surya Minerals	11.53	-	11.53	-
19 Patel Lands Ltd.	54.38	47.66	54.38	47.66
20 Patel Hydro Power Pvt. Ltd.	27.02	22.91	27.02	22.91
21 Patel Engineering (Lanka Pvt. Ltd.)	16.38	15.24	16.38	15.91
22 Patel Engineers Pvt. Ltd.	3.43	2.91	3.45	2.91
23 Patel Concrete and Quaries Pvt. Ltd.	165.54	145.07	165.54	145.07
24 Zeus Minerals Trading Pvt. Ltd.	164.00	143.77	164.00	143.77
25 Naulo Nepal Hydroelectric Pvt. Ltd.	3.51	3.51	3.95	3.51
26 Shreeanant Constructions Pvt. Ltd.	85.98	85.97	100.10	85.97
27 Apollo Buildwell Pvt. Ltd.	15.96	15.93	15.96	15.93
28 Arsen Infra Pvt. Ltd.	11.64	11.64	11.64	11.64
29 Hera Realcon Pvt. Ltd.	1.23	1.22	1.23	1.22
30 Lucina Realtors Pvt. Ltd.	-	-	-	0.00
31 PBSR Developers Pvt. Ltd.	411.13	356.24	411.13	356.24
32 Waterfront Developers Ltd.	1,178.86	1,038.27	1,178.86	1,038.27
33 PATEL-KNR Infrastructure Ltd.	0.25	0.23	0.25	1.11
34 Hampus Infrastructure Pvt. Ltd.	0.07	0.04	0.07	0.14
Associates				
35 Raichur Solapur Transmission Company Pvt. Ltd.	35.46	31.10	35.46	31.10
36 Bellona Estate Developers Ltd.	-	-	20.09	0.44
Total	**12,385.85**	**10,720.49**	**12,838.12**	**11,612.64**

Notes to Standalone Financial Statement for the year ended March 31, 2020

49 Category-wise classification of financials instruments

₹ Million

	Non Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial assets measured at FVTPL				
Investment	0.52	0.52	-	-
Financial assets measured at amortised cost				
Investments	6,691.65	6,004.50	150.00	150.00
Trade receivables	6,522.31	6,396.64	3,110.62	2,107.38
Loans	10,161.40	8,465.22	1,700.82	2,576.19
Deferred finance cost	75.82	79.79	-	-
Other assets	475.86	237.09	116.67	116.67
Cash and cash equivalents	-	-	1,066.34	1,098.38
Other bank balances	-	-	-	0.21

₹ Million

	Non Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial liabilities measured at amortised cost				
Borrowings	6,279.64	9,095.38	12,409.07	12,741.55
Trade payables	3,302.45	3,104.78	13,046.03	8,839.39
Other financial liabilities	1.77	4.38	1,610.39	1,357.13

50 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, 2020 ₹ Million

Financial asset measured at FVTPL	Fair value as at March 31, 2020	Fair Value hierarchy		
		Quoted prices in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
Investments	0.52	0.52	-	-

As at March 31, 2019 ₹ Million

Financial asset measured at FVTPL	Fair value as at March 31, 2019	Fair Value hierarchy		
		Quoted prices in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
Investments	0.52	0.52	-	-

ii) **Financial instrument measured at amortised cost**

The carrying amount of financial assets and liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be recieved or settled.

51 Financial risk management

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Company is exposed to market risk, credit risk and liquidity risk. The board of directors ('Board') oversee the management of these financial risks through its risk management committee. The risk management policy of the Company formulated by the risk management committee, states the Company's approach to address uncertainties in its endeavour to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of the Company's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate financial risks in order to minimize potential adverse effects on the Company's financial performance.

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

1) Market risk

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

a) Interest rate risk

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

Interest rate sensitiviy

The following table demonstrates the sensitiviy to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With other variables held constatnt, 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, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
+50 basis point	(111.42)	(112.30)	(111.42)	(112.30)
-50 basis point	111.42	112.30	111.42	112.30

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, 2020

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

₹ Million

Currency	Liabilities		Assets	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
EURO	561.96	527.01	36.78	43.74
JPY	-	-	25.06	22.69
LKR	-	-	16.40	15.26
MUR	-	-	76.39	72.51
NPR	3,081.12	2,881.95	3,058.71	2,718.47
USD	16.71	12.00	2,328.55	1,260.60
SGD	8.20	7.99	-	-

The above table represents total exposure of the Company towards foreign exchange denominated liabilities (net). The details of unhedged exposures are given as part of note no. 44

Sensitivity analysis

The Company is mainly exposed to changes in USD & EURO, as NPR is to be repaid at fixed rate; hence the Company is not exposed to any exchange rate fluctuation. The below table demonstrates the sensitivity to a 5% increase or decrease in the USD & EURO against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

₹ Million

Change in EURO rate	Effect on profit before tax		Effect on total equity	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
+5%	(26.26)	(24.16)	(26.26)	(24.16)
-5%	26.26	24.16	26.26	24.16

₹ Million

Change in USD rate	Effect on profit before tax		Effect on total equity	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
+5%	115.59	62.43	115.59	62.43
-5%	(115.59)	(62.43)	(115.59)	(62.43)

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 sensitiviy

The following table demonstrates the sensitiviy to a reasonably possible change in price of investment measured at

FVTPL with other variables held constatnt. The Company's profit before tax is affected throgh 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, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
+5%	0.03	0.03	0.03	0.03
-5%	(0.03)	(0.03)	(0.03)	(0.03)

2) Credit risk

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

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

3) Liquidity risk

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

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

₹ Million

Particulars	Less than 1 year	1 - 5 years	More than 5 years	Total
At March 31, 2020				
Borrowings	12,757.88	1,867.27	4,412.37	19,037.52
Lease liability	183.23	-	-	183.23
Trade payables	13,046.03	3,302.45	-	16,348.48
Other financial liability	1,261.58	1.77	-	1,263.35
At March 31, 2019				
Borrowings	13,057.31	3,293.40	5,801.97	22,152.69
Trade payables	8,839.39	3,104.78	-	11,944.17
Other financial liability	1,041.37	4.38	-	1,045.75

52 Capital management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. As at March 31, 2020, the Company has only one class of equity shares and has moderate debt. Consequent to such capital structure, there are no externally

Notes to Standalone Financial Statement for the year ended March 31, 2020

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, 2020	As at March 31, 2019
Total debt	19,037.52	22,152.69
Total equity	25,700.82	23,038.88
Total debt to total equity ratio (gearing ratio)	0.74	0.96

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements.

53 Ministry of Corporate Affairs has notified Ind AS 116 "Leases" which is effective from April 01, 2019. Pursuant to this, the company has applied this standard to all lease contract existing on April 01, 2019 using the retrospective modified approach with the cumulative effect at the date of initial application. On that date, the Company recognised a lease liability measured at the present value of the remaining lease payments using the lessee's incremental borrowing rate as at April 01, 2019 and corresponding Right of Use (ROU) asset measured at an amount equivalent to lease liability (C8(b)(ii)). Therefore, there is no effect of adoption Ind AS 116 on retained earnings as at April 01, 2019. Thus, on transition, the adoption of the new standard resulted In recognition of ROU asset of ₹ 281.91 million and a lease liability of ₹ 281.91 million.

In view of this, the operating lease rent which was hitherto accounted under 'Other expenses' in previous periods has now been accounted as depreciation and finance costs. The financial results of current year in an increase of ₹109.27 million and ₹28.96 million in depreciation for the right of use assets and finance costs on lease liability respectively and decrease in operating lease rent cost of ₹130.88 million. Accordingly the profit and Basic EPS for the current year is lower by ₹ 7.35 million and ₹0.03 respectively . To this extent, the performance of the current year is not comparable with previous year.

54 Previous year's figures have been regrouped, rearranged and reclassified wherever necessary.

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

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

Anil A. Mehta
Partner
Membership No. 030529

Place : Mumbai
Date : June 26, 2020

For and on behalf of Board

Rupen Patel
Chairman &
Managing Director
DIN : 00029583

Kavita Shirvaikar
Chief Financial Officer &
Director
DIN : 07737376

Sunil Sapre
Director
DIN : 05356483

Shobha Shetty
Company Secretary
Mem. No.: F10047

Patel Engineering Ltd.
Patel Estate, Jogeshwari (W),
Mumbai - 400 102
Maharashtra, India

Tel: +91 22 26767500
investors@pateleng.com
www.pateleng.com

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