

April 22, 2024

The Deputy General Manager,  
Corporate Relationships Department,  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort  
Mumbai – 400 001  
**SCRIP CODE:** 531120

The Deputy General Manager,  
Listing Department,  
**National Stock Exchange of India Limited**  
Exchange Plaza, Plot No. C/1, G Block  
Bandra-Kurla Complex, Bandra (E)  
Mumbai – 400 051  
**SCRIP SYMBOL:** PATELENG

**Sub: Intimation of approval of the Unaudited Special Purpose Condensed Interim Consolidated Financial Statements of the Company for the nine months period ended on December 31, 2023**

Dear Sir/Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we hereby inform you that the Allotment Committee has, inter-alia, approved the Unaudited Special Purpose Condensed Interim Consolidated Financial Statements of the Company for the nine months period ended on December 31, 2023 and December 31, 2022, along with its review report issued by the Statutory Auditors of the Company, duly approved by the Allotment Committee of the Board of Directors of the Company ("Committee") at its meeting held today.

The aforesaid Unaudited Special Purpose Condensed Interim Consolidated Financial Statements of the Company along with its review report are also uploaded on the Company's website at [www.pateleng.com](http://www.pateleng.com)

Further, the said condensed consolidated interim financial statements are being issued on a one-time basis.

The meeting of the Committee commenced at 5.45 PM and concluded at 6.20 PM.

We request you to take the above on record.

Thanking you,

Yours truly,  
For **Patel Engineering Limited**



**Kavita Shirvaikar**  
**Whole Time Director & CFO**  
**DIN: 07737376**



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](mailto:headoffice@pateleng.com) Website: [www.pateleng.com](http://www.pateleng.com)



## INDEPENDENT AUDITOR'S REVIEW REPORT ON UNAUDITED SPECIAL PURPOSE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Report to,  
**The Allotment Committee of the Board of Directors**  
**Patel Engineering Limited**

### Introduction

1. We have reviewed the accompanying Unaudited Special Purpose Condensed Interim Consolidated Financial Statements of Patel Engineering Limited ('the Parent'), which includes joint operations and its subsidiaries (the parent and its subsidiaries together referred as 'the group'), which includes the Group's share of profit/loss in its associates, comprising the Unaudited Special Purpose Condensed Interim Consolidated Balance Sheet as at 31<sup>st</sup> December 2023 and the related Unaudited Special Purpose Interim Condensed Consolidated Statement of Profit and Loss (including other comprehensive income), the Unaudited Special Purpose Condensed Interim Consolidated Statement of Cash Flows and the Unaudited Special Purpose Condensed Interim Consolidated Statement of Changes in Equity for the nine month then ended and selected explanatory notes thereon (collectively, the "Unaudited Special Purpose Condensed Interim Consolidated Financial Statements") as required solely for the purpose for raising funds through issuing of equity share to qualified institution buyers in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018, as amended ("SEBI ICDR Regulations"), and other applicable laws. The Unaudited Special Purpose Condensed Interim Consolidated Financial Statements have been prepared on the basis and for the purpose stated in Note 1.1 (a) ("Basis of Preparation") of the selected explanatory notes.

### Management Responsibility

2. The Parent Company's management and Board of Directors is responsible for the preparation and presentation of the Unaudited Special Purpose Condensed Interim Consolidated Financial Statements on the basis and for the purpose stated in Note 1.1 (a) of the selected explanatory notes, which have been approved by the Allotment Committee, Committee of the Board of Directors in their meeting dated 22<sup>nd</sup> April, 2024. The Parent Company's Board of Directors and respective board of directors of the companies included in the group are responsible for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal control, that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the Unaudited Special Purpose Condensed Interim Consolidated Financial Statements on the basis and for the purpose stated in Note 1.1 (a) of the selected explanatory notes and are free from material misstatement, whether due to fraud or error.

### Auditors Responsibility

3. Our responsibility is to express a conclusion on the Unaudited Special Purpose Condensed Interim Consolidated Financial Statements. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries primarily of the Parent Company's personnel responsible for financial and accounting matters.





and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 (the "Act") and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Emphasis of Matters:**

5. The Auditor of the subsidiary Dirang Energy Private Limited ('DEPL'), without modifying their conclusion have drawn attention to the project of DEPL has temporarily stopped. However, based on the management estimate to get a favourable order from the competent authority and on adequate net worth and financial support from the Parent, the financial statements of the DEPL have been prepared on a going concern basis for the reasons stated. Our conclusion on the Unaudited Special Purpose Condensed Interim Consolidated Financial Statements is not modified in respect of the above matter.
6. The Unaudited Special Purpose Condensed Interim Consolidated Financial Statements of the Group for the period ended 31<sup>st</sup> December, 2023 included the financial statements of the subsidiaries Hera Realcon Private Limited, Shreanant Construction Private Limited and Energy Design Private Limited, wherein their auditors, without qualifying their conclusions 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 conclusion on the Unaudited Special Purpose Condensed Interim Consolidated Financial Statements is not modified in respect of the above matter.
7. **The Unaudited Special Purpose Condensed Interim Consolidated Financial Statements includes the financial statements/ information of the following entities:**

**Subsidiaries:**

Water Front Developers (Consolidated), Patel Engineering Infrastructure Limited (Consolidated), Friends Nirman Private Limited, Bhooma Realities Private Limited, Shashvat Land Projects Private Limited, Vismaya Constructions Private Limited, Patel Patron Private Limited(Consolidated),Energy Design Private Limited, Shreanant Construction Private Limited, Hampus Infrastructure Private Limited, PBSR Developers Private Limited, Hera Realcon Private Limited, Arsen Infra Private Limited (Consolidated), Patel KNR Infrastruture Limited, Patel Engineering Mauritius Limited (Consolidated), Patel Engineering Inc (Consolidated), Patel Engineering Singapore Pte Limited (Consolidated), Patel Engineering Lanka Limited, Patel Energy Limited, Dhirang Energy Private Limited, West Kameng Energy Private Limited, Digin Hydro Power Private Limited, Meyong Hydro Power Private Limited, Saskang Rong Energy Private Limited, Bellona Estate Developers Limited (w.c.f Aug 28, 2023).

**Jointly Controlled Entities:**

CICO Patel JV, Patel Sew JV, KNR Patel JV, Patel KNR JV, PEL-PPCL-HCPL JV, Patel V Arks JV, Patel - V Arks - Percision JV, Patel SOMA JV, Patel VI JV, Onycon Enterprises.



CICO Patel JV, Patel Sew JV, KNR Patel JV, Patel KNR JV, PEL-PPCL-HCPL JV, Patel V Arks JV, Patel - V Arks - Percision JV, Patel SOMA JV, Patel VI JV, Onycon Enterprises, Patel Avantika Deepika BHEL JV, AGE Patel JV, Patel Michigan JV, Patel UEIPL JV, Patel-Gond Project JV, Patel Parbati JV, HES Suthaliya JV, NEC-PEL- JV, Patel-RBG JV, Patel-SA JV, Era Patel Advance Kiran JV, Patel APCO JV, Era Patel Advance JV, PEL-ISC-Prathmesh JV, ISC Projects-PEL JV, Patel Siddhivinayak JV, Patel -Civet-Chaitra Micro(KA) JV, VPRPL - PEL JV, Mokharbardi Micro Irrigation JV, D K Joint Venture LLP, Jai Sai Construction PEL JV, PEL-PC JV, VKMCPL-PEL JV, PEL- Civet Project JV, DBL-PEL JV, VIDPL LISI JV,

**Associate Company:**

Hitodi Infrastructure Limited, ACP Tollways Private Limited, Patel Advance JV (Partnership Firm)

8. The accompanying Unaudited Special Purpose Condensed Interim Consolidated Financial Statements includes the interim reviewed financial information/ financial statements in respect of:
- i. The real estate division of the Parent included in the Unaudited Special Purpose Condensed Interim Consolidated Financial Statements of the Group whose interim financial statements reflect total assets of Rs. 4,584.99 million as at 31<sup>st</sup> December, 2023, total revenues of Rs. 76.54 million, total net Profit after tax of Rs. 72.00 million and total comprehensive income of Rs 72.00 million and net cash inflows of Rs. 0.09 million for the period April 01<sup>st</sup>, 2023 to 31<sup>st</sup> December, 2023 as considered in the Unaudited Special Purpose Condensed Interim Consolidated Financial Statements which have been reviewed by the branch auditor.
  - ii. 28 joint operations whose interim financial statements/information reflect Group's Share in total assets of Rs. 4,088.72 million as at 31<sup>st</sup> December, 2023, total revenue of Rs. 8,733.16 million, total profit after tax of Rs. 11.18 million and total comprehensive income of Rs. 11.18 million for the period 01<sup>st</sup> April, 2023 to 31<sup>st</sup> December, 2023, as considered in the Unaudited Special Purpose Condensed Interim Consolidated Financial Statements which have been reviewed by their respective independent auditors.
  - iii. 21 subsidiaries, whose financial statements and other information reflects net total assets of Rs. 8,985.91 million as at 31<sup>st</sup> December, 2023, total revenues of Rs. 2,752.87 million, total net profit/(loss) after tax of Rs. 332.03 million and total comprehensive income of Rs. 528.16 million and net cash outflows of Rs. (190.80) million for the period 01<sup>st</sup> April, 2023 to 31<sup>st</sup> December, 2023, as considered in the Unaudited Special Purpose Condensed Interim Consolidated Financial Statements. These financial statements have been reviewed by their respective independent auditors.

The independent auditors' reports on interim financial results/ statements and other financial information of these entities referred in paragraph 8 above have been furnished to us by the Management and our conclusion on the Unaudited Special Purpose Condensed Interim Consolidated Financial Statements, in so far as it relates to the amounts and disclosures in respect of these entities is based solely on the report of such auditors and the procedures performed by us as stated in paragraph 3 above.



9. The accompanying Unaudited Special Purpose Condensed Interim Consolidated Financial Statements includes unaudited interim financial statements and other Unaudited financial information in respect of:
- i. 7 unincorporated joint operations whose interim financial results reflect Group's share in total assets of Rs. 232.06 million as at 31<sup>st</sup> December, 2023, total revenues of Rs. 3.65 million, total net Profit after tax of Rs (0.04) million and total comprehensive income of Rs. (0.04) million for the period 01<sup>st</sup> April, 2023 to 31<sup>st</sup> December, 2023 as considered in the Unaudited Special Purpose Condensed Interim Consolidated Financial Statements whose interim financial statements and other financial information have not been reviewed by auditors.
  - ii. 4 subsidiaries whose interim financial statements reflect total assets of Rs. 284.46 million as at 31<sup>st</sup> December, 2023, total revenues of Rs. 9.52 million, total Profit after tax of Rs. (205.13) million and total comprehensive income of Rs. (235.89) million for and net cash inflows of Rs (2.28) million for the period 01<sup>st</sup> April 2023 to 31<sup>st</sup> December 2023, as considered in the Unaudited Special Purpose Condensed Interim Consolidated Financial Statements whose interim financial statements and other financial information which have not been reviewed by auditors.
  - iii. 3 associates whose interim financial Statements/information reflect the Group's share in Net Profit of Rs. 14.02 million and total Comprehensive Income of Rs. 14.02 million for the period from 01<sup>st</sup> April, 2023 to 31<sup>st</sup> December, 2023 as considered in the Unaudited Special Purpose Condensed Interim Consolidated Financial Statements whose interim financial statements and other financial information which have not been reviewed by auditors.

The unaudited interim financial statements and other financial information of these joint operations, subsidiaries and associates have not been reviewed by their auditors and have been approved and furnished to us by the Management and our conclusion on the Unaudited Special Purpose Condensed Interim Consolidated Financial Statements, in so far as it relates to the affairs of these joint operations, subsidiaries and associates is based solely on such unaudited interim financial statements and other financial information. According to the information and explanations given to us by the Management, this interim financial statements/financial information are not material to the Group.

Our conclusion on the Unaudited Special Purpose Condensed Interim Consolidated Financial Statements in respect of matters stated in paragraph 8 and paragraph 9 above is not modified with respect to our reliance on the work done and the reports of the other auditors and the financial statements and financial information certified by the Management.

#### Conclusion

10. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 8 above and management certified financial statements as referred to in paragraph 9 above, nothing has come to our attention that causes us to believe that the accompanying Unaudited Special Purpose Condensed Consolidated Interim Financial Statements has not been prepared, in all material aspects, in accordance with the basis set out in Note 1.1 (a) of the selected explanatory notes.





**Other matters**

11. We had issued an unmodified conclusion on the Statement of Unaudited Consolidated Financial Results for the quarter and nine month ended 31 December 2023 ("Statement of Unaudited Standalone Financial Results"), vide our Limited Review Report dated 12<sup>th</sup> February, 2024.

Our conclusion on the Unaudited Special Purpose Condensed Interim Consolidated Financial Statements is not modified in respect of above matters.

**Restriction on Us**

12. Without modifying our conclusion, we draw attention to Note 1.1 (a) of the selected explanatory notes, which explains that the Unaudited Special Purpose Condensed Interim Consolidated Financial Statements have been prepared solely for the purpose for raising funds through issuing of equity share to qualified institution buyers in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018, as amended ("SEBI ICDR Regulations"), as amended and other applicable laws and for inclusion in preliminary placement document and placement document.

**For Vatsaraj & Co.**

**Chartered Accountants**

Firm Registration No: 111327W

*N. Dedhia*

CA Nitesh K Dedhia

Partner

M. No. 114893

UDIN: 24114893BKC MJY7627

Mumbai, 22<sup>nd</sup> April, 2024





	Notes	As At	
		December 31,	As At
		2023	March 31, 2023
		Rs. Million	Rs. Million
		Unaudited	Audited
<b>I. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	2	11,700.55	11,904.59
(b) Capital work-in-progress		2,905.27	2,944.44
(c) Intangible assets		9.16	12.16
(d) Goodwill on consolidation		252.61	252.61
(e) Right to use assets		293.26	142.09
(f) Financial assets			
(i) Investments	3	1,277.74	1,354.13
(ii) Trade receivables	4	3,353.03	3,606.79
(iii) Loans	5	871.28	887.94
(iv) Other financial assets	6	7,973.41	6,166.75
(g) Deferred tax assets (net)	7	1,953.63	2,073.52
(h) Current tax assets (net)	8	599.49	886.97
(i) Other non current assets	9	2,456.73	2,094.79
<b>Total non current assets</b>		<b>33,646.16</b>	<b>32,326.77</b>
<b>2 Current assets</b>			
(a) Inventories	10	38,872.91	36,762.97
(b) Financial assets			
(i) Trade receivables	4	5,037.38	5,038.74
(ii) Cash and cash equivalents	11	1,182.02	2,083.01
(iii) Other bank balances	12	-	-
(iv) Loans	5	31.94	59.58
(v) Other financial assets	6	1,553.18	1,355.49
(c) Current tax assets (net)	8	60.22	78.40
(d) Other current assets	9	7,922.28	6,972.88
(e) Assets classified as held for sale	13	-	2,893.08
<b>Total current assets</b>		<b>54,659.93</b>	<b>55,244.15</b>
<b>TOTAL ASSETS</b>		<b>88,306.09</b>	<b>87,570.92</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity share capital	14	773.62	773.62
(b) Other equity		29,456.20	28,105.94
<b>Equity attributable to owners of the parent</b>		<b>30,229.82</b>	<b>28,879.56</b>
Non-controlling interests		-72.04	878.20
<b>Total equity</b>		<b>30,157.78</b>	<b>29,757.76</b>
<b>2 Liabilities</b>			
<b>Non current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15	5,886.90	5,324.96
(ii) Lease liabilities	16	63.85	78.19
(iii) Trade payables	17	-	-
a) Total outstanding dues of micro enterprises and small enterprises		-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		5,452.16	6,182.16
(iv) Other financial liability	18	2,191.66	2,042.57
(b) Provisions	19	165.80	163.55
(c) Other non current liabilities	20	4,346.45	5,710.50
(d) Deferred revenue	21	38.57	78.92
<b>Total non current liabilities</b>		<b>18,145.39</b>	<b>19,580.85</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	22	13,660.86	12,082.80
(ii) Lease liabilities	16	215.05	92.67
(iii) Trade payables	23	-	-
a) Total outstanding dues of micro enterprises and small enterprises		54.68	93.81
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		18,851.91	14,942.40
(iv) Other financial liabilities	24	242.65	259.33
(b) Provisions	19	57.71	50.57
(c) Other current liabilities	25	6,920.06	9,734.94
(d) Liabilities for assets classified as held for sale	26	-	975.79
<b>Total current liabilities</b>		<b>40,002.92</b>	<b>38,232.31</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>88,306.09</b>	<b>87,570.92</b>
Summary of significant accounting policies	1		

The notes referred to above form an integral part of the Special Purpose Condensed Interim Consolidated Financial Statement

As per our report of even date

For Vatsaraj & Co.  
Firm Regn No: 111327W  
Chartered Accountants

  
CA Nitesh K. Dedhia  
Partner  
Membership No. 114893  
Place : Mumbai  
Date : April 22, 2024



For Patel Engineering Ltd.

  
Kavita Shirvaikar  
Whole Time Director & Chief Financial Officer  
DIN : 02737376



	Notes	December 31, 2023	December 31, 2022
		Rs. Million Unaudited	Rs. Million Audited
I. Revenue from operations	27	32,009.29	26,860.83
II. Other income	28	577.21	896.32
III. Total income (I + II)		<u>32,586.50</u>	<u>27,757.15</u>
IV. Expenses:			
Cost of construction	29	23,324.76	19,508.08
Employee benefits expense	30	2,707.84	2,369.65
Finance costs	31	2,690.07	3,084.66
Depreciation and amortization expense	2	685.85	601.84
Other expenses	32	1,449.51	1,056.99
Total expenses		<u>30,858.03</u>	<u>26,621.22</u>
V. Profit before exceptional items and tax (III-IV)		1,728.47	1,135.93
VI. Exceptional items	33	(421.72)	77.56
VII. Profit before tax (V - VI)		<u>2,150.19</u>	<u>1,058.37</u>
VIII. Tax expense:			
(1) Current tax		603.79	348.40
(2) Tax adjustments for earlier years		(45.54)	3.39
(2) Deferred Tax		(14.71)	39.33
IX. Profit for the year (VII-VIII)		<u>1,606.65</u>	<u>667.25</u>
X. Share in profit/ (loss) in associates (net)		11.99	28.29
XI. Net profit after tax and share in profit/(loss) in joint ventures / associates from continuing operations		<u>1,618.64</u>	<u>695.54</u>
XII. Profit from discontinued operations before tax after non controlling interest		(119.73)	269.77
Tax Expense (including Deferred Tax) on Discontinued Operations		-	121.61
Profit from discontinued operations after tax and non controlling interest		<u>(119.73)</u>	<u>148.16</u>
XIII. Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(37.72)	(153.49)
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.04	4.42
XIV. Total other comprehensive income		<u>(37.68)</u>	<u>(149.07)</u>
XV. Total comprehensive income for the year (XI+XII+XIV)(comprising profit/(loss) and other comprehensive income for the year)		<u>1,461.23</u>	<u>694.63</u>
XVI. Non Controlling Interest		<u>53.94</u>	<u>(9.77)</u>
XVII. Owners of the parent (XV- XVI)		1,407.29	704.40
XVIII. Earnings per equity share from continued operations:			
(1) Basic	35	2.02	1.41
(2) Diluted		2.02	1.19
XIX. Earnings per equity share from discontinued operations:			
(1) Basic		(0.15)	0.30
(2) Diluted		(0.15)	0.30
Summary of significant accounting policies	1		

The notes referred to above form an integral part of the Special Purpose Condensed Interim Consolidated Financial Statement

As per our report of even date

For Vatsaraj & Co.  
Firm Regn No: 111327W  
Chartered Accountants

  
CA Nitesh K. Dedhia  
Partner

Membership No. 114893  
Place : Mumbai  
Date : April 22, 2024



For Patel Engineering Ltd.

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

	December 31, 2023	December 31, 2022
	Rs. Million Unaudited	Rs. Million Unaudited
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit after tax	1,498.91	843.70
Adjustment for:		
Depreciation/ amortisation	685.85	601.84
Tax expenses	543.54	391.12
Finance charges	2,690.07	3,084.66
Non cash gain from discontinued operation	(58.66)	-
Interest income and dividend received	(372.33)	(536.57)
Foreign exchange gain	(27.95)	(145.89)
Provision for leave salary	(0.53)	(21.54)
Provision for gratuity	9.93	(9.75)
Share in associates	11.99	28.29
Profit on Award income	(528.88)	-
Provision for impairment	9.85	-
Profit on sale of assets	(2.52)	(10.89)
Excess credit written back	(125.64)	-
Irrecoverable debts and advances written off (net)	271.83	66.34
Transferred of discontinued operation (net)	938.33	-
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>5,543.78</b>	<b>4,291.31</b>
Adjustment for changes in:		
Trade and other receivables	(1,481.01)	(260.66)
Inventories	(3,081.14)	(530.54)
Trade and other payables (excluding income tax)	<u>1,715.11</u>	<u>1,220.66</u>
<b>Cash from operations</b>	<b>2,696.73</b>	<b>4,720.77</b>
Direct tax paid (net)	(164.62)	(589.70)
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>2,532.11</b>	<b>4,131.07</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Purchase) / adjustments of fixed assets (including capital work-in-progress and capital advances)	(1,040.59)	(982.87)
Sale of fixed assets	99.57	100.37
Decrease / (increase) in loans to JV/ associates	58.94	92.67
Remeasurement of assets held for sale	-	-
Sale / (purchase) of investments & marketable securities	62.01	(216.42)
Purchase of investments & marketable securities	-	-
Increase in other bank balances	-	-
Interest and dividend received	<u>114.17</u>	<u>99.63</u>
<b>NET CASH FROM / (USED IN) INVESTING ACTIVITIES (B)</b>	<b>(705.89)</b>	<b>(906.62)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of shares	(0.00)	342.30
Proceeds from borrowings including cash credit limit	1,154.81	1,567.39
Replacement of Contractee advance with new term loan	(2,520.00)	-
Term loan for replacement of Contractee advance	2,520.00	-
Repayment of borrowings including cash credit limit	(1,515.55)	(2,788.28)
Finance charges paid	<u>(2,394.42)</u>	<u>(2,815.32)</u>
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>	<b>(2,755.17)</b>	<b>(3,693.90)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(928.95)</b>	<b>(469.45)</b>
<b>Opening balance of cash and cash equivalents</b>	<b>2,083.01</b>	<b>2,605.78</b>
<b>Balance of cash and cash equivalents</b>	<b>1,154.07</b>	<b>2,136.33</b>
<b>Notes to cash flow statement</b>		
<b>a) Cash and cash equivalents.</b>		
Cash on hand and balance with banks	1,182.02	2,282.22
Effect of exchange rate changes	(27.95)	(145.89)
Closing cash and cash equivalents as restated	<u>1,154.07</u>	<u>2,136.33</u>
<b>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.</b>		





## c) Reconciliation of liabilities arising from financing activities

Rs. Million

December 31, 2023	Opening balance as on 01.04.2023	Cash inflow / (outflow)	Non - cash changes	Closing balance as on 31.12.2023
Borrowings (including short term borrowing, long term borrowing & current maturity) & lease liability	17,578.62	2,159.26	88.78	19,826.65
	17,578.62	2,159.26	88.78	19,826.65

December 31, 2022	Opening balance as on 01.04.2022	Cash inflow / (outflow)	Non - cash changes	Closing balance as on 31.12.2022
Borrowings (including short term borrowing, long term borrowing & current maturity) & lease liability	22,918.40	(1,220.89)	124.90	21,822.41
	22,918.40	(1,220.89)	124.90	21,822.41

For Vatsaraj & Co.  
Firm Regn No: 111327W  
Chartered Accountants

  
CA Nitesh K. Dedhia  
Partner  
Membership No. 114893  
Place : Mumbai  
Date : April 22, 2024



For Patel Engineering Ltd.

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

PATEL ENGINEERING LIMITED

Special Purpose Condensed Interim Consolidated Statement of Change in Equity for the period ended December 31, 2023

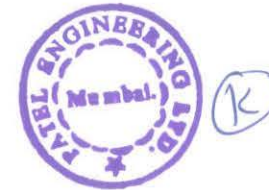


(A) EQUITY SHARE CAPITAL

Particulars	Number of shares	Rs. Million
Equity shares of Re 1/- each: issued, subscribed and paid		
As at 31 March 2022	47,92,30,494	479.23
Issue of equity shares	29,43,86,734	294.39
As at 31 March 2023	77,36,17,228	773.62
Issue of equity shares	-	-
As at 31 December 2023	77,36,17,228	773.62

(B) OTHER EQUITY

Particulars	Equity component of compound financial instruments	Reserves and surplus										Rs. Million	
		Capital reserve	Capital reserve on amalgamation	General reserve	Securities premium	Debenture redemption reserve	Foreign currency monetary item translation difference	Capital redemption reserve	Surplus in the statement of profit and loss	Total equity attributable to equity holders	Non-controlling interest	Total equity attributable to equity holders	
As at March 31, 2022	-	277.57	(0.23)	3,000.62	15,129.83	30.64	301.94	300.00	4,317.39	23,357.76	714.11	24,071.87	
- Profit for the year - from Continuing operation	-	-	-	-	-	-	-	-	705.31	705.31	(9.77)	695.54	
- Profit for the year - from Discontinuing operation	-	-	-	-	-	-	-	-	148.16	148.16	143.02	291.18	
- Other comprehensive income for the year	-	-	-	-	-	-	(151.07)	-	2.00	(149.07)	-	(149.07)	
- Adjustment during the year	-	-	-	-	-	-	-	-	-	-	(3.21)	(3.21)	
- Adjustment on account of consolidation of joint venture	-	-	-	-	-	-	-	-	91.24	91.24	-	91.24	
- Issued during the year	-	-	-	-	305.79	-	-	-	-	305.79	-	305.79	
- Issue of equity shares	-	-	-	-	-	-	-	-	-	-	-	-	
As at December 31, 2022	-	277.57	(0.23)	3,000.62	15,435.62	30.64	150.87	300.00	5,264.10	24,459.20	844.15	25,303.35	
As at March 31, 2023	-	277.57	(0.23)	3,000.62	18,240.12	30.64	168.70	300.00	6,088.52	28,105.94	878.20	28,984.15	
- Profit for the year - from Continuing operation	-	-	-	-	-	-	-	-	1,564.70	1,564.70	53.94	1,618.64	
- Loss for the year - from Discontinuing operation	-	-	-	-	-	-	-	-	(119.73)	(119.73)	-	(119.73)	
- Other comprehensive income for the year	-	-	-	-	-	-	(33.78)	-	(3.90)	(37.68)	-	(37.68)	
- Adjustment during the year	-	-	-	-	-	-	-	-	-	-	(23.60)	(23.60)	
- Discontinued operation impact	-	-	-	(187.98)	-	-	-	-	130.95	(57.03)	(980.59)	(1,037.62)	
As at December 31, 2023	-	277.57	(0.23)	2,812.64	18,240.12	30.64	134.92	300.00	7,660.54	29,456.20	(72.04)	29,384.16	





PATEL ENGINEERING LIMITED

Special Purpose Condensed Interim Consolidated Statement of Change in Equity for the period ended December 31, 2023



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

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

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

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

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

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

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

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

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



**NOTES TO SPECIAL PURPOSE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT  
FOR THE NINE MONTHS ENDED DECEMBER 31, 2023**

**NOTE : 1**

**1.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Statement of compliance and Basis of preparation**

The Special Purpose Condensed Interim Consolidated Financial Statements as at and for the nine-month ended 31 December 2023 have been prepared on an accrual and going concern basis in accordance with Indian Accounting Standards (Ind AS)-34 'Interim Financial Reporting' as prescribed in the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the "Act") and should be read in conjunction with the Group last annual consolidated financial statements as at and for the year ended 31 March 2023 (last audited annual financial statements). The Accounting policies and practices (i.e recognition and measurement principles) applied for the preparation of the special purpose financial statements are consistent with those adopted in the financial statements for the previous financial year ended March 31, 2023 except otherwise permitted under Ind AS 34.

These Unaudited Special Purpose Condensed Interim Consolidated Financial Statements have been prepared for limited purpose of facilitating the company to meet the requirements of the relevant regulations in relation to the proposed fund raise as approved by the Board of Directors of the Company in their meeting held on February 12, 2024 and by the Shareholders on March 8, 2024, in accordance with the provisions of the Companies Act, 2013, as amended (the "Act") and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

Certain comparative figures included in Unaudited Special Purpose Condensed Interim Consolidated Financial Statements have been reclassified to make them comparable to the classification in the corresponding Unaudited Special Purpose Condensed Interim Consolidated Financial Statements as at and for the nine months ended 31 December 2023. The comparative figures have not been adjusted to reflect adjusting events after 12 February 2024, as these are intended to be read in conjunction with the comparative figures in the said Special Purpose Condensed Interim Consolidated Balance Sheet, Special Purpose Condensed Interim Consolidated Statement of Profit and Loss and Special Purpose Condensed Interim Consolidated Statement of Cash Flows.

These special purpose condensed interim Consolidated financial statements of the Company were approved by allotment committee of the Board of Directors in their meeting held on April 22, 2024.

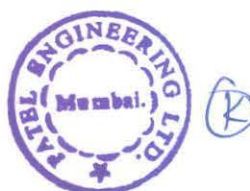
**b) Functional and Presentation Currency**

Items included in the Special Purpose Condensed Interim Standalone Financial Statement of the company are measured using the currency of the primary economic environment in which the entity operates ("functional currency").

The Special Purpose Condensed Interim Consolidated Financial Statement 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 Special Purpose Condensed Interim Consolidated Financial Statement 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.





**NOTES TO SPECIAL PURPOSE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT FOR THE NINE MONTHS ENDED DECEMBER 31, 2023**

The Special Purpose Condensed Interim 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 Special Purpose Condensed Interim Consolidated Financial Statement are intended to serve as a means of informative disclosure and a guide to better understanding. Recognizing this purpose, the Company has disclosed only such notes from the individual financial statements, which fairly present the needed disclosure.

**d) Current / non-current classification**

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

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

The Company has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of its assets and liabilities, as it is not possible to identify the normal operating cycle.

**e) Method of accounting**

The Group maintains its accounts on accrual basis. Subsidiaries outside India maintain its accounts based on generally accepted accounting standards of their respective countries.

**f) Critical accounting estimates and judgements**

The preparation of Special Purpose Condensed Interim Consolidated Financial Statement 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 Special Purpose Condensed Interim Consolidated Financial Statement and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Revisions to accounting estimates are recognized prospectively.

The areas involving critical estimates or judgements are:

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

**g) Property, plant and equipment**

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

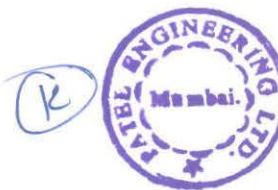
Such cost comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use. Property, plant and equipment costing Rs. 5,000 or less are not capitalized and charged to the consolidated statement of profit and loss.

Machinery Spares that meet the definition of PPE are capitalised.

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

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably.

The carrying amount of an items of PPE are derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss.



NOTES TO SPECIAL PURPOSE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT FOR THE NINE MONTHS ENDED DECEMBER 31, 2023

**h) Intangible assets**

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

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

**i) Depreciation**

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

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

The estimated useful lives are as follows:

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

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

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.

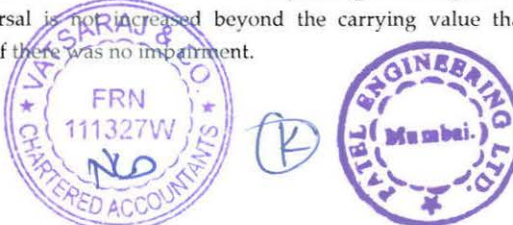
**Intangible assets**

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

Computer software	3 years
-------------------	---------

**j) 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.





**NOTES TO SPECIAL PURPOSE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT FOR THE NINE MONTHS ENDED DECEMBER 31, 2023**
**k) Inventories**

The stock of land, construction materials, stores, spare parts, embedded goods and fuel is valued at cost (on weighted average basis), or net realizable value, whichever is lower and work in progress of construction contracts at contract rate. Cost includes expenditures incurred in acquiring the inventories, conversion costs and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated cost necessary to make the sale.

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

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

**l) Recognition of income and expenditure**

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

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

**i) Construction revenue**

The company constructs various infrastructure projects on behalf of clients. Under the terms of the contracts, where the company is contractually restricted from redirecting the properties to another customer and has an enforceable right to payment for work done; revenue is recognised over a period of time. The percentage-of-completion of a contract is determined by the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs. This is achieved by estimating total revenue including claims / variations and total cost till completion of the contract and the profit is recognised in proportion to the value of work done when the outcome of the contract can be estimated reliably. Revenue also includes claims / variations when it is highly probable of recovery based on estimate and assessment of each item by the management based on their judgement of recovery. The management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under Ind AS 115.

The company becomes entitled to invoice customers for construction based on achieving a series of performance related milestones. When a particular milestone is achieved, the customer is sent a statement of work completed assessed by expert. Previously recognised contract asset for any work performed is reclassified to trade receivables at the point at which it is invoiced to the customer. Advances received from customers in respect of contracts are treated as liabilities and adjusted against progress billing as per terms of the contract. Progress payments received are adjusted against amount receivable from customers in respect of the contract work performed.

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

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

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



NOTES TO SPECIAL PURPOSE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT  
FOR THE NINE MONTHS ENDED DECEMBER 31, 2023

ii) **Revenue from Real estate development contracts**

The company constructs and sells residential properties under long-term contracts with customers. Such contracts are entered into before or after construction of the residential properties begins. Under the terms of the contracts, the company is contractually restricted from redirecting the properties to another customer and does not have an enforceable right to payment for work done. Revenue from construction of real estate properties is therefore recognised at a point of time.

Revenue from building development is measured based on the consideration to which the company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

m) **Foreign currency transaction / translations**

Transactions in foreign currency including acquisition of property, plant and equipment are recorded in the functional currency (Indian rupee) by applying to the foreign currency amount, at the prevailing exchange rates between the functional currency and foreign currency on the date of the transaction. All monetary assets and monetary liabilities in foreign currencies are translated at the relevant rates of exchange prevailing at the year-end. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary items denominated in foreign currency at prevailing reporting date exchange rates are recognised in profit or loss.

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

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.

n) **Financial instrument:**

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

(I) **Financial asset:**

**Initial recognition and measurement :**

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

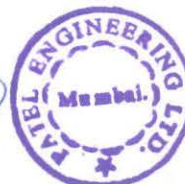
**Subsequent measurement :**

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

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



*(Handwritten initials)*





**NOTES TO SPECIAL PURPOSE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT FOR THE NINE MONTHS ENDED DECEMBER 31, 2023**

**(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.

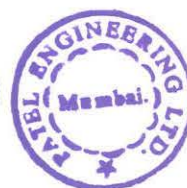
**De-recognition of financial assets:**

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.

**Impairment of financial assets:**

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

- (a) Financial assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance
- (b) Lease receivables
- (c) Trade receivables or any contractual right to receive cash or another financial asset
- (d) Loan commitments which are not measured at FVTPL.
- (e) Financial guarantee contracts which are not measured at FVTPL



NOTES TO SPECIAL PURPOSE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT  
FOR THE NINE MONTHS ENDED DECEMBER 31, 2023

**(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.

**o) Financial derivative and hedging transactions**

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

**p) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the 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 Special Purpose Condensed Interim Consolidated Financial Statement is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 – leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – inventories or value in use in Ind AS 36 – impairment of assets.

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

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

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

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



(K)





**NOTES TO SPECIAL PURPOSE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT FOR THE NINE MONTHS ENDED DECEMBER 31, 2023**

For assets and liabilities that are recognised in the Special Purpose Condensed Interim Consolidated Financial Statement 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.

**q) 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.

**r) Taxation**

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

**Current tax:**

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

**Deferred tax:**

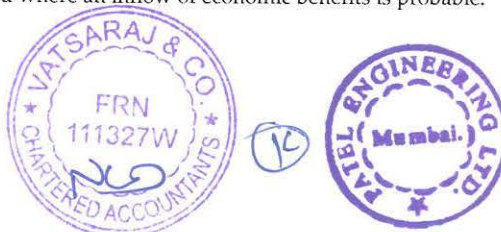
Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, using the enacted tax rates or tax rates that are substantively enacted at the balance sheet dates. The effect on the deferred tax assets and liabilities of a change in tax rate is recognized in the period that includes the enactment date. Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

**s) 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.



NOTES TO SPECIAL PURPOSE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT  
FOR THE NINE MONTHS ENDED DECEMBER 31, 2023

t) **Employees stock option plan**

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

u) **Borrowing cost**

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

v) **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.

w) **Business combinations**

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

The cost of an acquisition is measured at the fair value of the asset transferred, equity instruments issued 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.



(K)





**NOTES TO SPECIAL PURPOSE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT FOR THE NINE MONTHS ENDED DECEMBER 31, 2023**
**x) 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.

**y) Preliminary and preoperative expenses**

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

**z) 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.

**aa) Standards issued but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

**Ind AS 1 – Presentation of financial statements**

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

**Ind AS 12 – Income taxes**

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

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

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

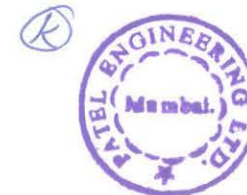


Note : 2

PROPERTY, PLANT AND EQUIPMENT AS AT DECEMBER 31, 2023

Rs. Million

Particulars	Gross block					Depreciation					Net book value			
	As at April 1, 2023	Addition	Deduction/retirement	Sub total	Foreign currency fluctuation	As at December 31, 2023	As at April 1, 2023	For the year	Deduction	Sub total	Foreign currency fluctuation	As at December 31, 2023	As at December 31, 2023	As at March 31, 2023
<b>TANGIBLE ASSETS</b>														
Land	6,545.81	3.84	-	6,549.65	-	6,549.65	-	-	-	-	-	-	6,549.65	6,545.81
Building	766.66	(0.00)	-	766.66	0.70	767.36	196.36	12.38	-	208.74	0.72	209.46	557.90	570.30
Plant and equipment	8,623.49	470.00	129.19	8,964.38	(3.96)	8,960.34	4,454.16	520.94	25.41	4,949.69	(0.12)	4,949.57	4,010.77	4,169.32
Lease plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture and fixtures	70.02	3.10	-	73.12	(0.28)	72.84	61.66	1.81	-	63.47	(0.28)	63.19	9.65	8.36
Vehicles	1,624.35	54.28	5.11	1,673.52	(0.09)	1,673.43	1,155.85	82.09	4.98	1,232.96	(0.09)	1,232.87	440.56	468.51
Lease vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office equipments	31.38	5.99	-	37.37	(0.05)	37.32	25.28	1.85	-	27.13	(0.05)	27.08	10.24	6.10
Others	34.66	-	-	34.66	-	34.66	29.26	0.63	-	29.89	-	29.89	4.77	5.40
Electric equipment	181.07	10.60	0.99	190.68	-	190.68	78.86	17.83	0.12	96.57	-	96.57	94.11	102.21
Computer equipments	112.47	8.57	-	121.04	(0.36)	120.68	83.90	14.25	-	98.15	(0.36)	97.79	22.89	28.57
Container	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>17,989.92</b>	<b>556.38</b>	<b>135.29</b>	<b>18,411.00</b>	<b>(4.04)</b>	<b>18,406.96</b>	<b>6,085.32</b>	<b>651.78</b>	<b>30.51</b>	<b>6,706.59</b>	<b>(0.18)</b>	<b>6,706.41</b>	<b>11,700.55</b>	<b>11,917.53</b>
<b>RIGHT TO USE</b>														
Building	22.00	2.95	-	24.95	-	24.95	13.49	3.98	-	17.47	-	17.47	7.48	8.51
Land	3.15	-	-	3.15	-	3.15	2.12	0.70	-	2.82	-	2.82	0.33	1.03
Plant and equipment	490.26	176.12	-	666.38	-	666.38	363.19	23.06	-	386.25	-	386.25	280.13	127.07
Electric equipment	-	1.01	-	1.01	-	1.01	-	0.01	-	0.01	-	0.01	1.00	-
Vehicles	12.06	-	-	12.06	-	12.06	6.58	1.16	-	7.74	-	7.74	4.32	5.48
<b>Total</b>	<b>527.47</b>	<b>180.08</b>	<b>-</b>	<b>707.55</b>	<b>-</b>	<b>707.55</b>	<b>385.36</b>	<b>28.91</b>	<b>-</b>	<b>414.29</b>	<b>-</b>	<b>414.29</b>	<b>293.26</b>	<b>129.15</b>
Less : Transferred to capital WIP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL PPE AND RIGHT TO USE</b>	<b>18,517.39</b>	<b>736.46</b>	<b>135.29</b>	<b>19,118.55</b>	<b>(4.04)</b>	<b>19,114.51</b>	<b>6,470.70</b>	<b>680.69</b>	<b>30.51</b>	<b>7,120.88</b>	<b>(0.18)</b>	<b>7,120.70</b>	<b>11,993.81</b>	<b>12,046.69</b>
<b>INTANGIBLE ASSETS</b>														
Computer software	64.54	2.15	-	66.69	-	66.69	52.38	5.15	-	57.53	-	57.53	9.16	12.16
Goodwill	252.61	-	-	252.61	-	252.61	-	-	-	-	-	-	252.61	252.61
<b>Total</b>	<b>317.15</b>	<b>2.15</b>	<b>-</b>	<b>319.30</b>	<b>-</b>	<b>319.30</b>	<b>52.38</b>	<b>5.15</b>	<b>-</b>	<b>57.53</b>	<b>-</b>	<b>57.53</b>	<b>261.77</b>	<b>264.77</b>
Capital Work-In-Progress	2,944.44	105.82	147.13	2,903.14	2.13	2,905.27	-	-	-	-	-	-	2,905.27	2,944.44
<b>GROSS TOTAL</b>	<b>21,778.97</b>	<b>844.43</b>	<b>282.42</b>	<b>22,340.98</b>	<b>(1.91)</b>	<b>22,339.07</b>	<b>6,523.08</b>	<b>685.84</b>	<b>30.51</b>	<b>7,178.41</b>	<b>(0.18)</b>	<b>7,178.23</b>	<b>15,160.84</b>	<b>15,255.90</b>





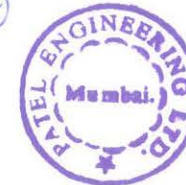
PATEL ENGINEERING LIMITED  
PROPERTY, PLANT AND EQUIPMENT AS AT MARCH 31, 2023

Rs. Million

Particulars	Gross block					Depreciation						Net book value		
	As at April 1, 2022	Addition	Deduction/retirement	Sub total	Foreign currency fluctuation	As at March 31, 2023	As at April 1, 2022	For the year	Deduction	Sub total	Foreign currency fluctuation	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
<b>TANGIBLE ASSETS</b>														
Land	6,545.81	-	-	6,545.81	-	6,545.81	-	-	-	-	-	-	6,545.81	6,545.81
Building	481.89	281.55	-	763.44	3.22	766.66	187.62	5.56	-	193.17	3.19	196.36	570.30	294.28
Plant and equipment	7,427.54	1,505.06	313.13	8,619.47	4.02	8,623.49	4,084.08	600.50	230.60	4,453.98	0.18	4,454.16	4,169.33	3,343.46
Lease Plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture and fixtures	99.32	1.78	31.21	69.89	0.13	70.02	90.48	2.25	31.20	61.53	0.13	61.66	8.36	8.84
Vehicles	1,592.83	157.20	125.81	1,624.22	0.13	1,624.35	1,183.15	93.98	121.41	1,155.72	0.13	1,155.85	468.50	409.68
Lease Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office equipments	66.85	1.01	36.59	31.27	0.11	31.38	59.47	2.29	36.59	25.17	0.11	25.28	6.10	7.38
Others	34.66	-	-	34.66	-	34.66	28.71	0.55	-	29.26	-	29.26	5.40	5.95
Electric equipment	152.54	57.92	29.39	181.07	-	181.07	88.42	19.16	28.72	78.86	-	78.86	102.21	64.12
Computer equipments	149.44	16.81	53.89	112.36	0.11	112.47	118.55	19.09	53.85	83.79	0.11	83.90	28.57	30.89
Container	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>16,550.88</b>	<b>2,021.33</b>	<b>590.02</b>	<b>17,982.19</b>	<b>7.72</b>	<b>17,989.92</b>	<b>5,840.48</b>	<b>743.36</b>	<b>502.37</b>	<b>6,081.47</b>	<b>3.85</b>	<b>6,085.32</b>	<b>11,904.59</b>	<b>10,710.40</b>
<b>RIGHT TO USE</b>														
Building	18.80	3.20	-	22.00	-	22.00	2.95	10.53	-	13.49	-	13.49	8.51	15.84
Land	3.15	-	-	3.15	-	3.15	1.06	1.06	-	2.12	-	2.12	1.03	2.09
Plant and equipment	490.26	-	-	490.26	-	490.26	315.89	47.30	-	363.19	-	363.19	127.07	174.37
Vehicles	12.06	-	-	12.06	-	12.06	5.12	1.46	-	6.58	-	6.58	5.48	6.94
<b>Total</b>	<b>524.27</b>	<b>3.20</b>	<b>-</b>	<b>527.47</b>	<b>-</b>	<b>527.47</b>	<b>325.02</b>	<b>60.35</b>	<b>-</b>	<b>385.38</b>	<b>-</b>	<b>385.38</b>	<b>142.09</b>	<b>199.24</b>
Less: Trfd to capital WIP														
<b>TOTAL PPE AND RIGHT TO USE</b>	<b>17,075.15</b>	<b>2,024.53</b>	<b>590.02</b>	<b>18,509.66</b>	<b>7.72</b>	<b>18,517.39</b>	<b>6,165.50</b>	<b>803.71</b>	<b>502.37</b>	<b>6,466.85</b>	<b>3.85</b>	<b>6,470.70</b>	<b>12,046.68</b>	<b>10,909.64</b>
<b>INTANGIBLE ASSETS</b>														
Computer Software	64.61	8.63	8.71	64.54	-	64.54	55.81	5.28	8.71	52.38	-	52.38	12.16	8.80
Goodwill	252.61	-	-	252.61	-	252.61	-	-	-	-	-	-	252.61	252.61
<b>TOTAL</b>	<b>317.22</b>	<b>8.63</b>	<b>8.71</b>	<b>317.15</b>	<b>-</b>	<b>317.15</b>	<b>55.81</b>	<b>5.28</b>	<b>8.71</b>	<b>52.38</b>	<b>-</b>	<b>52.38</b>	<b>264.77</b>	<b>261.41</b>
Capital Work-In-Progress	2,823.77	107.09	0.13	2,930.73	13.71	2,944.44	-	-	-	-	-	-	2,944.44	2,823.77
<b>TOTAL</b>	<b>20,216.14</b>	<b>2,140.25</b>	<b>598.85</b>	<b>21,757.53</b>	<b>21.43</b>	<b>21,778.97</b>	<b>6,221.31</b>	<b>808.99</b>	<b>511.08</b>	<b>6,519.23</b>	<b>3.85</b>	<b>6,523.08</b>	<b>15,255.89</b>	<b>13,994.82</b>



(R)



NOTE : 3

INVESTMENT

NON-CURRENT INVESTMENTS

Other equity investments at cost- unquoted

In joint ventures

In associates

Other investments (accounted under equity method)

10,006,000 shares (10,006,000) of Patel KNR Heavy Infrastructures Ltd., face value Rs.10/- per share

52,600 shares (52,600) of Pan Realtors Pvt. Ltd. face value Rs. 10/- per share

5,000 shares (5,000) of PLS Pvt. Ltd., face value LKR 10/- per share

8,495,040 shares (8,495,040) of ACP Tollways Pvt. Ltd., face value Rs. 100/- per share (includes goodwill of Rs. 2.77 million)

2,40,19,600 shares (2,40,19,600) of Hitodi Infrastructure Pvt. Ltd. face value Rs. 10/- per share

Investment in government securities<sup>IV</sup>

Investment by joint venture

Investment in partnership firms<sup>V</sup>

Investment in equity instruments (at FVTPL, Unquoted)

173,398 shares (1,73,398) of Michigan Engineers Pvt. Ltd., face value Rs. 10/- per share

Investment in mutual funds (At FVTPL, quoted)

Total

Less : provision for impairment<sup>III</sup>

TOTAL NON -CURRENT INVESTMENT

	December 31, 2023	March 31, 2023
	Rs. Million	Rs. Million
	8.25	8.02
	319.86	321.89
	-	-
	2.82	2.74
	194.62	180.70
	517.30	505.34
	0.12	0.12
	76.00	76.00
	-	-
	170.52	111.86
	515.87	660.73
	1,288.06	1,362.07
	10.32	7.94
	1,277.74	1,354.13

I. Aggregated amount of unquoted investments as at December 31, 2023 Rs. 761.88 million (March 31, 2023 Rs. 693.40 million).

II. Aggregated amount of quoted investments as at December 31, 2023 Rs. 515.87 million, market value Rs. 515.87 million ( March 31, 2023 Rs. 660.73 million, market value Rs. 660.73 million).

III. Aggregated amount of impairment in value of investments as at December 31, 2023 Rs. 10.16 million (March 31, 2023 Rs. 7.94 million).

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

NOTE : 4

TRADE RECEIVABLES

Unsecured, considered good unless otherwise stated

Receivables outstanding for a period exceeding six months

Considered good

Considered doubtful

Less : provision for doubtful debts

Other receivables

Considered good

	Non-current		Current	
	December 31, 2023	March 31, 2023	December 31, 2023	March 31, 2023
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
	3,293.45	3,499.87	3,424.71	3,334.02
	-	-	5.12	668.17
	3,293.45	3,499.87	3,429.83	4,002.19
	-	-	5.12	668.17
(A)	3,293.45	3,499.87	3,424.71	3,334.02
	59.58	106.92	1,612.67	1,704.72
(A+B)	3,353.03	3,606.79	5,037.38	5,038.74

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

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

III Trade receivables are net of advances received against arbitration awards/claims of Rs. 4,921.64 millions (March 31, 2023 Rs. 4,887.40 millions).

NOTE : 5

LOANS

Balance in loan / current account with associates / joint ventures / partnership firms

Unsecured, considered good

Balance which have significant increase in credit risk.

Less: provision for impairment

	Non-current		Current	
	December 31, 2023	March 31, 2023	December 31, 2023	March 31, 2023
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
	871.28	887.94	31.94	59.58
	87.09	88.01	25.98	-
	958.37	975.95	57.92	59.58
	87.09	88.01	25.98	-
	871.28	887.94	31.94	59.58

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

NOTE : 6

OTHER FINANCIAL ASSETS

Cash and bank balance

- On fixed deposits accounts with scheduled banks\*

Deferred finance cost

Secured deposit

Unsecured, considered good

Accrued interest

Others

	Non-current		Current	
	December 31, 2023	March 31, 2023	December 31, 2023	March 31, 2023
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
	2,254.72	2,068.94	-	-
	31.97	70.31	-	-
	2,268.43	2,260.10	1,413.99	1,216.97
	1,911.68	1,762.34	22.51	21.84
	1,506.61	5.06	116.68	116.68
	7,973.41	6,166.75	1,553.18	1,355.49

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





NOTE : 7

DEFERRED TAX ASSETS

Defferred Tax Assets (net)

December 31, 2023	March 31, 2023
Rs. Million	Rs. Million
1,953.63	2,073.52

NOTE : 8

CURRENT TAX ASSETS (NET)

Advance tax (net)<sup>1</sup>

<sup>1</sup> Advance tax which is net of provision for tax Rs. 0.65 million (March 31, 2023 Rs. 21.98 million).

	Non-current	
	December 31, 2023	March 31, 2023
	Rs. Million	Rs. Million
Advance tax (net) <sup>1</sup>	599.49	886.97
	599.49	886.97

	Current	
	December 31, 2023	March 31, 2023
	Rs. Million	Rs. Million
Advance tax (net) <sup>1</sup>	60.22	78.40
	60.22	78.40

NOTE : 9

OTHER ASSETS

Capital advance

Secured, considered good  
Unsecured, considered good

Security deposit

Unsecured, considered good  
Doubtful

Advance recoverable

Secured, considered good  
Unsecured, considered good

Doubtful

Prepaid expenses

Balance with statutory authorities

Accrued interest

Preoperative and preliminary expenses

Advance to suppliers

Other advances

Receivable on account of sale of long term investments

Non trade receivables

Advances to employees

Less: allowance for doubtful advances

Less: provision for impairment

	Non-current	
	December 31, 2023	March 31, 2023
	Rs. Million	Rs. Million
Capital advance		
Secured, considered good		
Unsecured, considered good	234.42	185.89
Security deposit		
Unsecured, considered good	1.21	1.20
Doubtful	16.76	16.76
Advance recoverable		
Secured, considered good		
Unsecured, considered good	314.97	179.14
Doubtful	207.04	207.00
Prepaid expenses	307.32	238.65
Balance with statutory authorities	730.76	745.75
Accrued interest	-	-
Preoperative and preliminary expenses	791.75	706.15
Advance to suppliers	27.79	-
Other advances	47.47	46.82
Receivable on account of sale of long term investments	-	-
Non trade receivables	-	-
Advances to employees	1.04	1.19
	2,680.53	2,318.55
Less: allowance for doubtful advances	223.80	223.76
Less: provision for impairment	0.00	-
	2,456.73	2,094.79

	Current	
	December 31, 2023	March 31, 2023
	Rs. Million	Rs. Million
Capital advance		
Secured, considered good		
Unsecured, considered good	-	-
Security deposit		
Unsecured, considered good	-	-
Doubtful	-	-
Advance recoverable		
Secured, considered good	4,377.20	4,081.10
Unsecured, considered good	274.08	27.30
Doubtful	473.13	897.74
Prepaid expenses	2,635.46	2,127.88
Balance with statutory authorities	0.01	0.02
Accrued interest	-	-
Preoperative and preliminary expenses	-	-
Advance to suppliers	5.60	5.17
Other advances	119.12	17.05
Receivable on account of sale of long term investments	51.88	51.88
Non trade receivables	206.89	36.50
Advances to employees	52.99	35.54
	8,196.36	7,000.18
Less: allowance for doubtful advances	246.78	-
Less: provision for impairment	27.30	27.30
	7,922.28	6,972.88

NOTE : 10

INVENTORIES \*

(At lower of cost or net realizable value)

Stock of land

Stores, embedded goods and spare parts etc.

(includes stores in transit Rs. 121.82 million ( March 31, 2023 Rs 182.67 million)

Work-in-progress

\*(As technically valued and certified by the management)

	Current	
	December 31, 2023	March 31, 2023
	Rs. Million	Rs. Million
Stock of land	3,329.13	3,289.04
Stores, embedded goods and spare parts etc.	4,409.30	2,463.55
Work-in-progress	31,134.48	31,010.38
	38,872.91	36,762.97

NOTE : 11

CASH AND CASH EQUIVALENTS

Balance with banks

- On current accounts with scheduled banks  
- On current accounts with non-scheduled banks  
- On fixed deposits accounts with scheduled banks  
- On fixed deposits accounts with foreign banks  
- Foreign currency in hand

Cash on hand

	Current	
	December 31, 2023	March 31, 2023
	Rs. Million	Rs. Million
Balance with banks	861.60	1,231.73
Cash on hand	0.50	-
	291.52	826.04
	24.56	21.35
	2.10	2.48
	1.74	1.41
	1,182.02	2,083.01

NOTE : 12

OTHER BANK BALANCES

Deposits with maturity more than 3 months but less than 12 months

Balances with bank for unpaid dividend

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

NOTE : 13

ASSETS CLASSIFIED AS HELD FOR SALE

Assets from discontinued operations

Michighan Engineers Pvt Ltd

Less : provision for impairment

TOTAL ASSETS CLASSIFIED AS HELD FOR SALE

	Current	
	December 31, 2023	March 31, 2023
	Rs. Million	Rs. Million
Assets from discontinued operations	-	2,893.08
Less : provision for impairment	-	-
TOTAL ASSETS CLASSIFIED AS HELD FOR SALE	-	2,893.08



NOTE : 14

SHARE CAPITAL AND OTHER EQUITY

A) SHARE CAPITAL

	December 31, 2023		March 31, 2023	
	No. of shares	Rs. Million	No. of shares	Rs. Million
a) <b>Authorized</b>				
Equity shares of Re. 1/- each	9,95,43,00,000	9,954.30	9,95,43,00,000	9,954.30
Zero coupon optionally convertible preference shares of Re 1/- each*	80,00,00,000	800.00	80,00,00,000	800.00
Preference shares of Rs.10,00,00,000 each	-	-	-	-
b) <b>Issued, subscribed and fully paid up</b>				
Equity shares of Re. 1/- each	77,36,17,228	773.62	77,36,17,228	773.62
	77,36,17,228	773.62	77,36,17,228	773.62
c) <b>Terms / rights attached to equity shares</b>				
The Company has only one class of shares referred to as equity shares of Re. 1/- each. Each holder of equity shares is entitled to the same rights in all respects.				
d) <b>Reconciliation of equity shares outstanding at the beginning and at end of the year</b>				
Outstanding at the beginning of the year	77,36,17,228	773.62	47,92,30,494	479.23
Add :- issued during the year	-	-	29,43,86,734	294.39
Outstanding at the end of the year	77,36,17,228	773.62	77,36,17,228	773.62
e) <b>Share held by each shareholder more than 5%</b>				
<b>Equity shares</b>				
<b>Name of the shareholder</b>	<b>No. of Shares</b>	<b>% holding</b>	<b>No. of Shares</b>	<b>% holding</b>
i) Raahitya Constructions Pvt. Ltd. (erstwhile Patel Corporation LLP)	23,24,06,527	30.04	23,24,06,527	30.04
ii) Prahm India LLP	4,01,95,352	5.20	4,01,95,352	5.20

f) During the financial year 2019-20, Company had made preferential allotment of 53,99,66,397 fully paid-up OCPs to a promoter of the Company pursuant to a contract without payment being received in cash. Out of the above in 2019-20, 37,32,72,000 OCPs were converted into 2,06,00,000 equity shares at a price of Rs. 18.12/- (including security premium of Rs.17.12/-). Balance 16,66,94,397 OCPs has converted in previous year (financial year 20-21) into 91,99,470 equity shares.

Further, during the financial year 2021-22, company has made preferential allotment of 1,37,77,470/- (March 31, 2023 4,80,75,262/-) fully paid-up shares at a price of Rs. 14.78/- (including security premium of Rs. 13.78/-) to a lender of the subsidiary pursuant to a one time settlement contract without payment being received in cash.

g) **Shares reserved under options**

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

h) **Shareholding of promoters and promoters group**

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

	Promoters name	December 31, 2023			March 31, 2023		
		No. of shares	% of total shares	% changes during the period	No. of shares	% of total shares	% changes during the year
i	Mr. Rupen Patel	3,07,85,933	3.98	-	3,07,85,933	3.98	(11.24)
ii	Raahitya Constructions Pvt. Ltd.	23,24,06,527	30.04	-	23,24,06,527	30.04	25.40
iii	Prahm India LLP	4,01,95,352	5.20	-	4,01,95,352	5.20	-
iv	Ms. Alina Rupen Patel	12,90,000	0.17	-	12,90,000	0.17	-
v	Ms. Chandrika Patel	1,49,900	0.02	-	1,49,900	0.02	-
vi	Mr. Ryan Rupen Patel	90,000	0.01	-	90,000	0.01	-
	<b>Total</b>	<b>30,49,17,712</b>	<b>39.41</b>	<b>-</b>	<b>30,49,17,712</b>	<b>39.41</b>	<b>14.16</b>

i) **Share issued during the previous year**

During the previous year ended as on Mar 31, 2023, the allotment committee of the Company on July 25, 2022 allotted 2,39,61,525 equity shares of face value Re. 1/- each for cash at par aggregating to Rs. 2,39,61,525 to Patel Engineering Employee Welfare Trust under Patel Engineering Employees' Stock Option Plan 2007 and on September 9, 2022, allotted 1,25,52,800 equity shares of face value Re. 1/- each @ issue price of Rs. 25.36 per share (including a premium of Rs. 24.36 per share ) aggregating to Rs. 31,83,39,008 to a category I registered FPI by way of on preferential allotment and money raised through private placement offer letter have been applied for the stated purpose under the private placement offer letter.

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

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

NOTE : 15

BORROWINGS

	Non-current portion		Current Maturities	
	December 31, 2023	March 31, 2023	December 31, 2023	March 31, 2023
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
I <b>Secured loans</b>				
a) Debentures <sup>1</sup>	3,657.66	4,625.35	1,058.81	724.30
b) Term loans				
- From bank <sup>2</sup>	531.03	599.61	98.43	411.77
- From others <sup>1</sup>	1,698.21	100.00	983.74	328.00
II <b>Unsecured loans</b>				
- From related parties	-	-	-	-
Amount disclosed under "other financial liabilities" in note no. 22	-	-	(2,140.98)	(1,464.07)
	5,886.90	5,324.96		





**1 Debentures**

- a) LIC - 11.30% NCD (ISIN INE244B07144) : 11.30% secured redeemable non convertible debentures was allotted on September 17, 2012 for a period of 10 years. These debentures have a face value of Rs. 1.0 million each aggregating to Rs. Nil (P.Y. Rs. 238.00 million). These NCDs along with the OCDs issued to LIC of Rs. 708.30 million (P.Y. Rs. 708.30 million) is secured against charge on certain land held as stock in trade of the Company and its subsidiaries. The above debentures are listed on The National Stock Exchange of India Ltd.
- b) During F.Y. 18, S4A (Scheme for Sustainable Structuring of Stressed Assets) of RBI for Debt resolution plan was approved and implemented by the lenders of the company by virtue of which their debts (including the interest accrued thereon) on the reference date of August 8, 2017 was split into Part A debt which was serviceable from the reference date and PART B Debt, which was converted into 0.01% Optionally Convertible Debentures (OCD) with a 7% IRR repayable over a period of 10 years commencing from the 6th year. Further in FY 19, Implementation from LIC (Life Insurance Corporation of India) & GIC (General Insurance Corporation of India) was completed as per the scheme and Units of OCD under Part B Debt was issued by the company. As part of the above S4A scheme, lenders of the company had converted Part B debt from Working Capital Term Loan (WCTL), Working Capital facilities (CC), Non Convertible Debentures (NCD) & Short Term Loans (STL) facilities into various tranches of Optionally Converted Debentures (OCD). The tranche wise details of OCD allotment and their outstanding details as on December 31, 2023 are as follows -  
 Tranche 1 (WCTL) Rs. 863.40 million (P.Y. Rs. 908.11 million), Tranche 2 (CC) Rs. 2,091.09 million (P.Y. Rs. 2,212.38 m million), Tranche 3 (GIC-OCD) Rs. 43.90 million (P.Y. Rs. 43.90 million), Tranche 7 (LIC) Rs. 708.30 million (P.Y. Rs. 708.30 million) & Tranche 9, (STL) Rs. 9.93 million (P.Y. Rs. 9.93 million). These debentures have a face value of Rs. 1000 each aggregating to Rs.3,706.70 million as on December 31, 2023 (P.Y. Rs.3,882.67 million) and outstanding liabilities on these debenture under IND AS 109 is Rs. 2,751.06 million (P.Y. Rs. 3,369.25 million) as on December 31, 2023.  
 The OCD's carry a coupon rate of 0.01% p.a. payable annually on March 31 every year, with a yield to maturity (YTM) of 7% p.a. payable at the time of maturity, payable from the reference date August 8, 2017 (for Tranches 1,2,3,7,9) and the original repayment schedule for repayment is over a period of 10 years as follows -  
 at the end of 6th year from reference date, i.e. August 8, 2023 - 5%, end of 7th year, i.e. August 8, 2024 - 20%, end of 8th year, i.e. August 8, 2025 - 25%, end of 9th year, i.e. August 8, 2026 - 25% and end of 10th year, i.e. August 8, 2027 - 25%. For Tranche 3 (GIC) the OCD units were credited effective July 1, 2018 & Tranche 7 (LIC) the OCD Units were credited effective December 17, 2018, with Moratorium of 5 Years and balance payable in 5% in Year 6, 20% in Year 7, 25% each in Year 8, Year 9 & Year 10, from their effective credit date along with the yield to maturity of 7% p.a.  
 Tranche 1 is secured against the same security as for WCTL - refer note 15 - 2 a) below in term loan banks, working capital term loan note.  
 Tranche 2 is secured against the same security as for CC - refer note 22 - 2) below in working capital demand loan note, Tranche 3 is secured against charge on certain property held as fixed assets of the company and subservient charge on all the property, plant and equipment of the company. Tranche 7 is secured against the same security as for NCD earlier which were issued to LIC - refer note 15 - 1a) above.  
 Tranche 1 & Tranche 2 are also secured by pledge of 93,50,927 shares (P.Y. 93,50,927 shares) of the Company held by promoters and Mr. Pravin Patel of the company and pledge of 49% holding of the company in Hitodi Infrastructure Pvt. Ltd. The said OCDs are also secured by personal guarantees of Mr. Rupen Patel. These securities are also for Part A Debt.  
 Tranche 9 is secured against the same security as for bank STL - refer note 22 - 1) below in short term loans note.
- c) 9.57% secured redeemable non convertible debentures was allotted by Patel KNR Infrastructure Limited (PKIL) on April 2, 2010 for a period of 17 years. These debentures have a face value of Rs. 1.0 million each aggregating to Rs. 1,256.10 million including Rs. 349.50 millions in current maturity. These NCDs is secured against entire, present and future, movable and immovable assets of the PKIL. The above debentures are listed on The National Stock Exchange of India.
- d) As per section 71 read with rule 18 of companies share capital and debentures rules, 2014 and amendment thereof, PKIL has made adequate fixed deposit/investment for debenture issued by them and maturing in next financial year.

**2 Term loan banks**

- a) Term loan includes working capital term loan(WCTL) secured by a first pari passu charge on the receivables more than 180 days, retention deposit, stock of land, immovable property and mortgage over certain lands owned by subsidiary companies, corporate guarantee and pledge of 30% shareholding of subsidiaries owning real estate lands. Mr. Rupen Patel, promoter in their personal capacity and Mr. Muthu Raj to the extent of the value of the property owned by them, has provided personal guarantees for WCTL. Also there is a charge on escrow accounts of Company, wherein cash flows will be deposited from real estate projects to be developed/monetized by respective companies, pledge of 93,50,927 shares (P.Y. 93,50,927 shares) shares of the Company held by promoters and Mr. Pravin Patel and 49% share holding of Hitodi Infrastructures Pvt. Ltd. held by the Company. The WCTL Term loans were repayable over 1 to 4 years starting F.Y. 2020 to F.Y. 2023. In F.Y. 20-21, due to covid 19 pandemic, the lenders had invoked one time restructuring (OTR) which has been implemented in F.Y. 21-22 by the lenders and all principal repayments have been shifted by 2 years, accordingly, the balance WCTL is repayable till F.Y. 24. Also, the lenders had sanctioned and disbursed FITL (Funded Interest Term Loan) on the said debt from March 1, 2021 upto March 31, 2022. The rates of Interest for these loans vary between 10%- 11.50% (floating) linked to Monitoring Institution's base rate.
- b) Term loan of Rs. 94.19 million (March 31, 2023 Rs. 123.42 million ) was taken during the financial year 2021-22 and carries interest MCLR (1 Year) + 1% p.a subject a maximum of 9.25% p.a. The loan is repayable starting in 48 monthly instalment post moratorium period 12 months from the date of first disbursement. The loan is secured by second charge over the current assets of the PBSR including receivables of the PBSR. The charge to cover escrow account established / to be established for the project under PBSR. Second charge over about 4 acres land in Gachibowli, Hyderabad owned by the PBSR.

**3 From others**

- a) The term loan of Rs. 1,698.21 million (P.Y. Rs. 100.11 million) includes loans from financial institutions on equipment's, secured against the said equipment's. These loans carried an interest rate of average between 13%-14% on an average, with a repayment period of 3-8 years. This term loan also includes inter corporate deposits with an average rate of interest of 14%-15% with maturity period of 1-3 yrs. Presently there are no interest and principal overdue for repayment & outstanding for such loans taken by the company. It includes project specific funding by financial institution from earmarked non fund based limit, this loans carried an interest rate of average between 10%-11.50% on an average.

**NOTE : 16**

**LEASE LIABILITY**

**Lease liability**

	Non-current		Current	
	December 31, 2023	March 31, 2023	December 31, 2023	March 31, 2023
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
	63.85	78.19	215.05	92.67
	<b>63.85</b>	<b>78.19</b>	<b>215.05</b>	<b>92.67</b>

**NOTE : 17**

**TRADE PAYABLES**

Total outstanding dues of micro enterprises and small enterprises

Total outstanding dues of creditors other than micro enterprises and small enterprises

Trade creditors

Piece rate wages payable

Provisions -others

Capital creditors

	December 31, 2023	March 31, 2023
	Rs. Million	Rs. Million
	506.10	467.92
	1,946.01	2,591.04
	2,358.61	2,177.37
	641.44	945.83
	<b>5,452.16</b>	<b>6,182.16</b>

**NOTE : 18**

**OTHER FINANCIAL LIABILITIES**

Retention deposits (contractually to be refunded after 1 year from completion of work)

Interest accrued but not due on borrowings

	December 31, 2023	March 31, 2023
	Rs. Million	Rs. Million
	27.20	30.35
	2,164.46	2,012.22
	<b>2,191.66</b>	<b>2,042.57</b>



**NOTE : 19  
PROVISIONS**

**Provision for employee benefits**  
Provision for gratuity  
Provision for leave entitlements

	Non-current	
	December 31, 2023	March 31, 2023
	Rs. Million	Rs. Million
	23.94	23.35
	141.86	140.20
	165.80	163.55

	Current	
	December 31, 2023	March 31, 2023
	Rs. Million	Rs. Million
	44.80	35.47
	12.91	15.10
	57.71	50.57

**NOTE : 20  
OTHER NON CURRENT LIABILITY**

Contractee advances  
Deposits  
Other liability

	December 31, 2023		March 31, 2023	
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
	3,736.20	4,763.38		
	114.02	291.47		
	496.23	655.65		
	4,346.45	5,710.50		

**NOTE : 21  
DEFERRED REVENUE**

Deferred revenue

	December 31, 2023		March 31, 2023	
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
	38.57	78.92		
	38.57	78.92		

**NOTE : 22  
BORROWINGS**

**I Secured loans**  
**Short term loans**  
- From bank<sup>1</sup>  
- From others  
**Loans repayable on demand**  
- From bank<sup>2</sup>  
**II Unsecured loans**  
- From others<sup>1</sup>  
- From related parties  
Current maturities of long-term debt

	December 31, 2023		March 31, 2023	
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
	-	-		
	277.00	277.00		
	10,466.93	9,536.57		
	75.00	75.00		
	700.95	730.15		
	2,140.98	1,464.08		
	13,660.86	12,082.80		

**1 Short term loan**

a) Includes short term loans from others at interest rate of 15.00% due for rollover in next financial year. FTEL has been sanctioned for these loans from March 1, 2021 upto March 31, 2022. The rates of Interest for these loans vary between 10%- 11.50% (floating) linked to Monitoring Institution's base rate. Presently there are no interest and principal overdue for repayment & outstanding for such loans taken by the company.

**2 Loans repayable on demand**

a) Includes cash credit and working capital demand loan from various banks. These loans have been given against first pari passu hypothecation of stocks, spare parts, book debts, work in progress & guarantees except specifically charged to any other lenders; secured against pledge of 93,50,927 shares (P.Y. 93,50,927 shares) of the company held by promoters and Mr. Pravin Patel and 49% share holding of Litodi Infrastructures Pvt. Ltd. held by the Company. It also has second charge on receivable above 180 days, subservient charge over plant & machinery except specifically charged to any lenders and over certain immovable properties and right over residual cash flow's from sale of real estate charged to WCITL lenders. FTEL has been sanctioned for the loans from March 2021 up to March 31, 2022.

Terms of repayment:

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

b) Loan of Rs. 135.83 million (March 31, 2023 Rs. 224.18 million) was taken during the financial year 2016-17 and carries interest MCLR (1 Year) + 2.75% p.a. The loan is secured by pari passu charge over the current assets of the PBSR including receivables of the PBSR. The charge to cover escrow account established / to be established for the project. First pari passu charge over about 4 acres land in Gachibowli, Hyderabad owned by the PBSR.

**3 Unsecured loan**

It includes short term inter corporate payables to related parties of Rs. 700.95 million (March 31, 2023 Rs. 730.15 million) and other Rs. 75.00 millions (March 31, 2023 Rs. 75.00 million).

**NOTE : 23  
TRADE PAYABLES**

Total outstanding dues of micro enterprises and small enterprises  
Total outstanding dues of creditors other than micro enterprises and small enterprises  
Trade creditors  
Piece rate wages payable  
Provisions - others

	December 31, 2023		March 31, 2023	
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
	54.68	93.81		
	7,830.74	6,117.53		
	5,502.01	4,646.48		
	5,519.16	4,178.39		
	18,906.59	15,036.21		

**NOTE : 24  
OTHER FINANCIAL LIABILITIES**

Interest accrued but not due on borrowings  
Interest accrued and due on borrowings  
Unpaid dividend  
Deposits  
Others

	December 31, 2023		March 31, 2023	
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
	63.40	101.65		
	8.69	16.12		
	-	-		
	169.10	141.32		
	1.46	0.24		
	242.65	259.33		

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

**NOTE : 25  
OTHER CURRENT LIABILITIES**

(a) **Other liabilities**  
Contractee advances  
**Other payables**  
Payable to employees  
Other liabilities  
(b) **Balance in current account**  
(i) With subsidiaries, associates  
(ii) With joint ventures

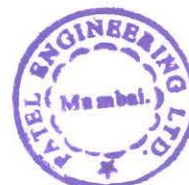
	December 31, 2023		March 31, 2023	
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
	4,094.68	7,594.43		
	570.86	576.92		
	1,652.13	1,014.13		
	0.17	0.17		
	602.22	549.29		
	6,920.06	9,734.94		

**NOTE : 26  
LIABILITIES FOR ASSETS CLASSIFIED AS HELD FOR SALE  
Liabilities from discontinued operations**

Michigan Engineers Pvt Ltd

TOTAL

	Current	
	December 31, 2023	March 31, 2023
	Rs. Million	Rs. Million
	-	975.79
	-	975.79





NOTES TO SPECIAL PURPOSE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT FOR THE NINE MONTHS ENDED DECEMBER 31, 2023

NOTE : 27

REVENUE FROM OPERATIONS

	December 31, 2023	December 31, 2022
	Rs. Million	Rs. Million
(a) Revenue/turnover	27,329.32	27,553.91
Add: increase/(decrease) in work-in-progress	3,905.86	(1,347.15)
Sale of goods	-	-
Total turnover	<u>31,235.19</u>	<u>26,206.76</u>
(b) Other operating income		
Lease and service charges	0.29	-
Share of profit from partnership firm	-	-
Miscellaneous operating income	<u>773.81</u>	<u>654.08</u>
	<u><u>32,009.29</u></u>	<u><u>26,860.83</u></u>

Disaggregation of revenue on the basis of

	December 31, 2023	December 31, 2022
	Rs. Million	Rs. Million
<b>Primary geographical market wise</b>		
Domestic	29,080.53	24,447.46
International	2,928.76	2,413.37
<b>Major product / service lines wise</b>		
EPC	32,009.53	26,489.24
Real estate	(0.24)	371.59
Others	-	-
<b>Timing of revenue recognition wise</b>		
At a point in time	773.86	1,025.67
Over period of time	31,235.42	25,835.17

NOTE : 28

OTHER INCOME

	December 31, 2023	December 31, 2022
	Rs. Million	Rs. Million
Gain on sale of assets (net)	2.52	10.89
Gain on sale of investments (net)	-	-
Other non operating income	135.99	186.14
Interest income	372.33	536.57
Net gain on foreign currency translation	27.95	145.89
Excess credit written back	<u>38.41</u>	<u>16.83</u>
	<u><u>577.21</u></u>	<u><u>896.32</u></u>



(K)



**NOTES TO SPECIAL PURPOSE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT FOR THE NINE MONTHS ENDED DECEMBER 31, 2023**
**NOTE : 29****COST OF CONSTRUCTION**

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
	Rs. Million	Rs. Million
<b>Stores, embedded goods and spare parts *</b>		
Inventories at the beginning of the year	2,463.55	2,421.10
Add : purchase (net)	7,517.71	6,368.90
	<u>9,981.26</u>	<u>8,790.00</u>
Less : inventories at the end of the year	4,409.30	2,312.72
<b>Consumption of stores and spares</b>	5,571.96	6,477.28
Purchase of land / development rights	-	-
Piece rate expenses (net)	12,140.91	10,496.29
Repairs to machinery	69.28	45.77
Transportation, hire etc.	1,104.89	1,213.35
Power, electricity and water charges	417.89	443.23
Project development cost	0.04	46.36
Technical consultancy fees	133.89	109.36
Other construction costs	3,885.90	676.43
	<u>23,324.76</u>	<u>19,508.08</u>

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

**NOTE : 30****EMPLOYEE BENEFITS EXPENSE**

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
	Rs. Million	Rs. Million
Salaries, wages and bonus	2,437.93	2,073.31
Contribution to provident and other funds	119.39	139.10
Employee stock option (ESOP)	-	0.44
Staff welfare expenses	150.52	156.80
	<u>2,707.84</u>	<u>2,369.65</u>

**NOTE : 31****FINANCE COSTS**

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
	Rs. Million	Rs. Million
Interest expense	2,180.29	2,550.86
Other borrowing costs	509.78	533.80
	<u>2,690.07</u>	<u>3,084.66</u>







NOTES TO SPECIAL PURPOSE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT FOR THE NINE MONTHS ENDED DECEMBER 31, 2023

NOTE : 32

OTHER EXPENSES

	December 31, 2023	December 31, 2022
	Rs. Million	Rs. Million
<b>Other administrative costs</b>		
Rent	54.82	56.68
Repairs and maintenance - building	0.01	0.02
Insurance	221.06	217.03
Rates and taxes	160.91	132.20
Advertisement and selling expenses	4.80	14.68
Travelling and conveyance	74.02	55.08
Directors fees	1.67	2.05
<b>Auditor's remuneration</b>		
Audit fees	4.76	4.74
Limited review	0.60	-
Certification	0.56	0.05
Taxation and other services	0.63	-
	6.55	4.79
Communication expenses	15.08	12.16
Printing and stationery	13.76	13.25
Legal and consultancy charges	359.96	237.06
Loss on sale of asset discarded	0.36	0.01
Irrecoverable debts written off / provided	247.03	5.60
Net loss on foreign currency translation	-	
Other expenses	289.48	306.37
	1,449.51	1,056.99

NOTE : 33

EXCEPTIONAL ITEMS :

	December 31, 2023	December 31, 2022
	Rs. Million	Rs. Million
Reversal of provision made for future loss <sup>a</sup>	-	-653.3
Provision for doubtful trade receivable <sup>b</sup>	-	663.05
Loss on recognition of revenue <sup>c</sup>	159.75	-
Receipt of award <sup>d</sup>	(528.88)	-
Provision for impairment on loan and advances <sup>e</sup>	9.85	-
Irrecoverable debts written off <sup>f</sup>	24.80	-
Excess credit written back <sup>g</sup>	(87.23)	67.81
	(421.72)	77.56

- a) On substantial completion of the project, the group has reversed the provision made for future loss.
- b) During the previous period, group has negotiated with the JDA partner for settlement of balance consideration which is accounted as receivable under IND AS against lump sum payment and recognized the provision for balance amount.
- c) A loss on recognition of revenue incurred on flats of a project under development, completed in current period, which were sold before completion of the Project but remained unregistered till end of the period.
- d) During the period, group has received a favorable award from International Arbitration Tribunal against the investment made by the company in the Mauritius project via Waterfront Development Limited ('WDL' 'SPV') through investment and loan made to SPV.
- e) Provision made for impairment based on indication of diminution in value of advance to a firm / associates / entity.
- f) Based on internal and external information, group has assessed the recoverability of non-financials assets and provide impairment if the carrying value of assets is more than recoverable amount & assets whose recoverability deteriorate has written off the irrecoverable amount.
- g) Based on internal and external information company has reversed the provision made earlier.



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

A) Wholly owned (100%) subsidiaries:

- |  |                                     |
|--|-------------------------------------|
| 1. Energy Design Pvt. Ltd.                         | 14. Dirang Energy Pvt. Ltd. (DEPL)  |
| 2. Patel Engineering Inc.                          | 15. West Kameng Energy Pvt. Ltd.    |
| 3. Patel Engineering (Mauritius) Ltd.              | 16. Digin Hydro Power Pvt. Ltd.     |
| 4. Patel Engineering Singapore Pte. Ltd.           | 17. Meyong Hydro Power Pvt. Ltd.    |
| 5. Patel Engineering Infrastructure Ltd.           | 18. Saskang Rong Energy Pvt. Ltd.   |
| 6. Vismaya Constructions Pvt. Ltd.                 | 19. Hampus Infrastructure Pvt. Ltd. |
| 7. Friends Nirman Pvt. Ltd.                        | 20. Arsen Infra Pvt. Ltd.           |
| 8. Shreeanant Construction Pvt. Ltd.               | 21. Patel KNR Infrastructures Ltd.  |
| 9. Patel Patron Pvt. Ltd.                          | 22. PBSR Developers Pvt. Ltd.       |
| 10. Bhooma Realities Pvt. Ltd.                     | 23. Waterfront Developers Ltd.      |
| 11. Pandora Infra Pvt. Ltd. (Till 28th March 2023) |                                     |
| 12. Patel Engineering Lanka Pvt. Ltd.              |                                     |
| 13. Shashvat Land Projects Pvt. Ltd.               |                                     |

B) Other subsidiaries:

Name of subsidiaries	% holding
1. Welspun Michigan Engineers Ltd. (Till May 25, 2023) (Formally know as Michigan Engineers Pvt. Ltd)	51.00%
2. Hera Realcon Pvt. Ltd.	97.30%
3. Patel Energy Ltd.	99.99%
4. Bellona Estate Developers Limited (W.e.f Aug 28, 2023)	92.92%

C) Joint ventures:

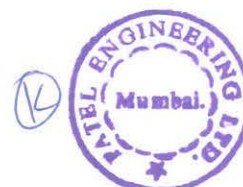
The principal place of business of all these joint ventures is in India and they are engaged in construction business.

Name of joint ventures	% of share	Name of joint ventures	% of share
1. Patel Michigan JV	10.00%	22. DK JV	51.00%
2. CICO Patel JV	99.90%	23. PATEL-SA JV	75.00%
3. Patel SEW JV	60.00%	24. Era Patel Advance Kiran JV	47.06%
4. PATEL - KNR J.V.	50.00%	25. Patel APCO JV	50.00%
5. KNR - PATEL J.V.	49.00%	26. Era Patel Advance JV	30.00%
6. PATEL - SOMA J.V.	50.00%	27. Patel - Siddhivinayak JV	51.00%
7. Patel - V Arks JV	65.00%	28. PATEL - CIVET-CHAITRA Micro(KA) JV	51.00%
8. Patel VI JV	51.00%	29. Dibang Power (Lot-4) Consortium	50.00%
9. Patel - Avantika - Deepika - BHEL	52.83%	30. VPRPI - PEL JV	51.00%
10. Patel - V Arks - Precision	60.00%	31. Mokhabardi Micro Irrigation Project JV	51.00%
11. Age Patel JV	49.00%	32. PEL-PC JV	80.00%
12. PEL - UEIPL JV	60.00%	33. PEL-CIVET Project JV	51.00%
13. PEL-PPCPL-HCPL JV	51.00%	34. Jai Sai Construction JV	60.00%
14. Onycon Enterprises	60.00%	35. VIDPL LISI JV	51.00%
15. PEL-Gond JV	45.00%	36. PATEL SA JV	51.00%
16. HES Shuthaliya JV	45.00%	37. VKMCPL-PEL JV	35.00%
17. PEL-Parbati JV	52.00%	38. DBL-PEL JV	35.00%
18. NEC-PEL- JV	45.00%	39. Raj Path Nira JV	40.00%
19. PEL - Ghodke	51.00%	40. Raj Infra Deoghar JV	40.00%
20. PEL-ISC-PRATHMESH JV	50.00%		
21. ISC Projects-PEL JV	49.00%		

D) Hitodi Infrastructure Pvt. Ltd., Patel advance JV, ACP Tollways Pvt. Ltd. and PAN Realtors Pvt. Ltd. (w.e.f. 4th January, 2015) has been consolidated as per equity method in accordance with Ind AS 28 "investment in associates and joint ventures".

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

F) Bellona Estate Developers Ltd. (BEDL) are committed to a sale plan involving loss of control of a associates shall classify as the disposal group (comprising the assets that are to be disposed of and directly related liabilities). It shall be measured in accordance with the requirements of Ind AS 105 and presented in the consolidated financial statements as disposal group till August 27, 2023. Subsequently, after disposal of BEDL assets, company has acquired the additional shares and it is consolidated as a subsidiary.





35 EARNING PER SHARE (EPS)	As on December 31, 2023 Rs. Million	As on December 31, 2022 Rs. Million
Net profit as per the Special Purpose Condensed Interim consolidated statement of profit and loss available for shareholders for both basic and diluted EPS of Re. 1/- each (from Continuing operation)	1,564.70	705.31
Net profit as per the Special Purpose Condensed Interim consolidated statement of profit and loss available for shareholders for both basic and diluted EPS of Re. 1/- each (from discontinuing operation)	(119.73)	148.16
Weighted average number of equity shares for basic EPS (in No)	77,36,17,228	50,03,38,252
Add: weighted average potential equity shares		
- On issue of optionally convertible debentures	9,08,48,194	28,05,58,922
Weighted average number of equity shares for diluted EPS (in No)	86,44,65,422	78,08,97,174
Face value of share Rs.	1	1
Earning per share from continuing operation (basic) Rs.	2.02	1.41
Earning per share from continuing operation (diluted) Rs.	2.02	1.19
Earning per share from discontinuing operation (basic) Rs.	(0.15)	0.30
Earning per share from discontinuing operation (diluted) Rs.	(0.15)	0.30

**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 associates:

1 ACP Tollways Pvt. Ltd.	3 Bellona Estate Developers Ltd. (Till Aug 28, 2023)
2 Raichur Sholapur Transmission Company Pvt. Ltd. (till 9/11/2022)	4 Hitodi Infrastructure Pvt. Ltd. (Formally known as Hitodi Infrastructure Ltd.)

Associate of Patel Engineering Infrastructure Ltd.

1 Patel KNR Heavy Infrastructure Ltd.

Associate of Lucina Realtors Private Limited

1 PAN Realtors Pvt. Ltd.

Joint ventures: (refer note 33 (c))

Partnership

1. Patel Advance JV

Others

1. Raahitya Constructions Pvt. Ltd.  
2. Prahm India LLP

**B. Key management personnel (KMP)**

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



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

Rs. Million

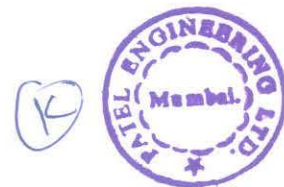
Particular	Associates/joint operations / partnership/others	
	As on Dec 2023	As on Dec 2022
- Investment in equity / preference shares	1.10	-
- Misc receipt	1.02	1.71
- Loans/advances given & Current account movement	96.11	6.60
- Loans / advances recovered / adjusted	26.50	42.76
- Interest expenses	-	28.74
- Reimbursement of expenses from	-	1.02
- Sundry balances written off	-	15.17
- Sundry balances written back	-	-
- Purchase of financial assets	-	123.10
- Provision for doubtful debt	-	-
- Other operating income	132.55	34.52
- Provision / (Reversal) for impairment of investment	1.10	-
- Provision / (Reversal) for impairment of loans and advances	(87.91)	-
- Sale of asset	-	-
- Loan taken	5.60	1,058.32
- Purchase of goods	-	-
- Sale of service	427.17	414.74
- Sale of materials	-	-
- Decrease/(Increase) in Corporate Guarantee exposure	3,109.30	-
- Repayment of loan	29.89	3.48

Outstanding Balances	Associates/ joint operations / partnership/others	
	As on Dec 2023	As on Mar 2023
- Corporate guarantee outstanding as at the end of the year	296.68	3,405.98
- Bank guarantee outstanding as at the end of the year	92.36	92.36
- Outstanding balance included in current/ non current assets	986.49	922.33
- Outstanding balance included in current / non current liabilities	1,487.07	1,452.64

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

Rs. Million

Particular	Name of the Company	Rs. Million	
		Dec-23	Dec-22
- Investment in equity / preference shares	Bellona Estate Developers Ltd.	1.10	-
- Misc receipt	NEC PEL JV Patel Michigan JV	0.99 -	0.99 0.72
- Loans/advances given & current account movement	Patel Sew JV Bellona Estate Developers Ltd.	80.07 13.78	5.77 0.82
- Loans / advances recovered / adjusted	Raichur Solapur Transmission Company Pvt. Ltd. Patel Sew JV	- 26.36	30.34 12.43
- Interest expenses	Raahitya Constructions Pvt. Ltd.	-	28.74





- Reimbursement of expenses	Raichur Solapur Transmission Company Pvt. Ltd.	-	1.02
- Sundry balances written off	Raichur Solapur Transmission Company Pvt. Ltd.	-	14.36
- Purchase of financial assets	Patel KNR JV	-	120.45
- Other operating income	Hitodi Infrastructure Pvt. Ltd	26.77	-
	DBL PEL JV	14.99	-
	Patel KNR JV	-	6.14
	PEL Civit Project JV	13.43	-
	NEC PEL JV	64.49	16.47
	VPRPL-PEL JV	-	11.91
- Provision / (Reversal) for impairment of investment	Bellona Estate Developers Ltd.	1.10	-
- Provision / (Reversal) for impairment of loans and advances	Bellona Estate Developers Ltd.	(87.91)	-
- Sale of assets	Patel Sew JV	-	-
- Loan taken	Raahitya Constructions Private Limited	-	1,050.00
	Hitodi Infrastructure Pvt. Ltd	5.60	8.32
- Sale of service	Patel Sew JV	341.47	414.74
	PEL PC JV	85.70	-
- Decrease/(Increase) in Corporate Guarantee exposure	Patel Sew JV	34.91	-
	Bellona Estate Developers Ltd.	3,074.39	-
- Repayment of loan	Hitodi Infrastructure Pvt. Ltd	29.89	3.48

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

Particular	Rs. Million	
	As on Dec 31, 2023	As on Dec 31, 2022
Managerial remuneration	65.93	54.08
Contribution to provident fund	3.61	3.16
ESOP	-	0.44
	As on Dec 31, 2023	As on Mar 31, 2023
Outstanding balance payable	3.78	7.13
Outstanding balance receivable	-	4.05

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 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 :

Particulars	Rs. Million			
	As at December 31, 2023			
	Business segments			
	Civil Construction	Real estate	Others	Total
Segment revenue	32,009.53	(0.24)	-	32,009.29
Segment results - Continuing operation	1,793.42	(50.78)	(2.17)	1,740.46
Segment results - Discontinuing operation	(119.73)	-	-	(119.73)



Particulars	As at December 31, 2022			
	Business segments			
	Civil Construction	Real estate	Others	Total
Segment revenue	26,489.24	371.59	-	26,860.83
Segment results - Continuing operation	904.16	250.21	9.85	1,164.22
Segment results - Discontinuing operation	269.77	-	-	269.77

Particulars	As at December 31, 2023		
	Geographical segment :		
	Within India	Outside India	Total
Revenue	29,080.53	2,928.76	32,009.29

Particulars	As at December 31, 2022		
	Geographical segment :		
	Within India	Outside India	Total
Revenue	24,447.46	2,413.37	26,860.83

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

Particulars	As at December 31,	
	2023	2022
Revenue from top customer	4,466.86	3,585.31
Revenue from top five customers	13,670.50	12,676.84

38 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.

39 Contingent liabilities

(a) Commitment for capital expenditure is Rs. 327.21 million (As on March 31, 2023 Rs 1218.38 million), advance paid Rs. 154.76 million (As on March 31, 2023 Rs. 144.43 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 on behalf of subsidiaries and others given by them in respect of contractual commitments in the ordinary course of business is Rs. 22,206.38 million (As on March 31, 2023 Rs. 21,464.50 million) (including customs Rs. 42.88 million (As on March 31, 2023Rs. 42.88 million). Corporate guarantees / letter of credit on behalf of subsidiaries and others is Rs. 296.68 million (As on March 31, 2023 Rs. 4,220.85 million). Net off share of JV partner & provisions already considered in books.

(c) Service tax and GST liability that may arise on matters in appeal Rs. 1,721.07 million (As on March 31, 2023 Rs. 1,476.33 million) and advance paid Rs. Nil (As on March 31, 2023 Rs. 9.45 million). Out of the above, Rs. 760.19 million (As on March 31, 2023 Rs. 760.19 million) is contractually recoverable from the clients.

(d) Sales tax Rs. 60.40 million (As on March 31, 2023 Rs 73.67 million) (advance paid Rs. 0.20 million (As on March 31, 2023 Rs. 0.20 million)), cess Rs. 122.64 million (As on March 31, 2023 Rs. 122.64 million), custom duty Rs. 16.49 million (As on March 31, 2023 Rs. 16.49 million) (advance paid Rs. 8.46 million (As on March 31, 2023 Rs. 8.46 million)).

(e) Income tax liability that may arise on matters in appeal Rs. 5,252.18 million (As on March 31, 2023 Rs. 3,435.28 million).

(f) Provident fund liability that may arise on matter in appeal Rs. 15.79 million ( As on March 31, 2023 Rs. 15.79 million) and advance paid Rs. 14.63 million (As on March 31, 2023 Rs. 14.63 million)

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

(h) A part of the immovable property belonging to the Group has been offered as shortfall undertaking in form of security in favour of a bank against credit facilities availed by strategic partners.

(i) In respect of Shreecanant Construction Pvt. Ltd., a SLP was filed in the supreme court by the state government of Arunachal Pradesh against the judgement of the Hon'ble Guwahati High Court in favour of the M/s Patel Engineering Ltd. abolishing the Arunachal Pradesh goods taxation act, 2005 as it was unconstitutional in nature. Still the matter is pending before the supreme court and hearings are going on. But in case of adverse judgement M/s Patel Engineering Ltd. will transfer entry tax liability of Ka HEP, Package-1 and there will be outflow of resources to that extent. However the management feels that likelihood of outflow of resources is remote.

A writ petition was filed by M/s Patel Engineering Ltd. in the Guwahati high court challenging the validity of newly enacted Arunachal Pradesh entry tax act,2010. The Hon'ble court has granted interim stay on the payment of entry tax subject to the furnishing of bank guarantee of the equivalent amount. Hence the management is presently not paying entry tax on import of goods from outside of Arunachal Pradesh rather M/s Patel Engineering Ltd. has offered bank guarantee of the same value. The matter is still pending and final judgement is yet to be delivered. But in case of adverse judgement the contractee M/s Patel Engineering Ltd. will transfer entry tax liability of KaHEP, Package-1 and there will be outflow of resources to that extent. However the management feels that likelihood of outflow of resources is remote.





NOTES TO SPECIAL PURPOSE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT  
FOR THE PERIOD ENDED DECEMBER 31, 2023

40 Category -wise classification of financials instruments

Rs. Million

	Non current		Current	
	As at Dec 31, 2023	As at March 31, 2023	As at Dec 31, 2023	As at March 31, 2023
<b>Financial assets measured at FVTPL</b>				
Investment	686.39	772.59		
<b>Financial assets measured at amortized cost</b>				
Investments	591.35	581.54	-	-
Trade receivables	3,353.03	3,606.79	5,037.38	5,038.74
Loans	871.28	887.94	31.94	59.58
Deferred finance cost	31.97	70.31	-	-
Other assets	7,941.44	6,096.45	1,553.18	1,355.49
Cash and cash equivalents	-	-	1,182.02	2,083.01
Other bank balances	-	-	-	-

Rs. Million

	Non current		Current	
	As at Dec 31, 2023	As at March 31, 2023	As at Dec 31, 2023	As at March 31, 2023
<b>Financial liabilities measured at amortized cost</b>				
Borrowings	5,886.90	5,324.96	13,660.86	12,082.80
Lease liabilities	63.85	78.19	215.05	92.67
Trade payables	5,452.16	6,182.16	18,906.59	15,036.21
Other financial liabilities	2,191.66	2,042.57	242.65	259.33

41 Fair value measurements

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

As at December 31, 2023

Rs. Million

Financial asset measured at FVTPL	Fair value as at December 31, 2023	Fair value hierarchy		
		Quoted prices in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
Investments	686.39	515.87	170.52	-

As at March 31, 2023

Rs. Million

Financial asset measured at FVTPL	Fair value as at March 31, 2023	Fair value hierarchy		
		Quoted prices in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
Investments	772.59	660.73	111.86	-

ii) Financial instrument measured at 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.



(K)



**NOTES TO SPECIAL PURPOSE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT  
FOR THE PERIOD ENDED DECEMBER 31, 2023**
**42 Capital management**

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

As at 31st December, 2023, the Group has only one class of equity shares and has moderate debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Group allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans. Consistent with others in the industry, the Group monitors its capital using the gearing ratio which is total debt divided by total capital.

Particulars	Rs. Million	
	As at Dec 31, 2023	As at March 31, 2023
Total debt	19,547.76	17,407.76
Total equity	30,229.82	28,879.56
Total debt to total equity ratio (gearing ratio)	0.65	0.60

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements.

- 43 a) Previous year's figures have been regrouped, rearranged and reclassified wherever necessary.  
b) Figure in brackets indicates amounts pertaining to previous year.

As per our attached Report of even date  
For Vatsaraj & Co.  
Firm Regn No: 111327W  
Chartered Accountants



For Patel Engineering Ltd.

*K.M.S.*

Kavita Shirvaikar

Whole Time Director & Chief Financial Officer  
DIN : 07737376

*N. Dedhia*  
CA Nitesh K. Dedhia  
Partner  
Membership No. 114893  
Place : Mumbai  
Date : April 22, 2024