

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr.	Vijaysen Reddy Dantapally	Chairman & Managing Director
Mr.	Rohit Reddy Dantapalli	Director
Mr.	Ravi Kumar Kutikalapudi	Director
Mr.	Raghavender Reddy Marpadaga	Independent Director
Mr.	Jaya Simha Reddy Lingam	Independent Director
Ms.	Dwithiya Raghavan	Independent Director - Woman

Corporate Identity Number

L45200TG1994PLC017384

Registered Office

1-10-63 & 64, 5th Floor, Prajay Corporate House,
Chikoti Gardens, Begumpet, Hyderabad - 500016,
Telangana

Website: www.prajayengineers.com

Email: investorrelations@prajayengineers.com;
pesl.cs@prajayengineers.com

Internal Auditor

M. Shankar, B.com, MBA-Finance
Hyderabad`

Secretarial Auditors

P.S. Rao & Associates
Practising Company Secretaries, Hyderabad

Bankers:

Indian Overseas Bank, Secunderabad
State Bank of India, Hyderabad
The A.P Mahesh Co-operative Urban Bank Limited,
Hyderabad.
HDFC Bank, Hyderabad

Statutory Auditors:

M/s. Karumanchi & Associates
Chartered Accountants
Flat No.301, Swarga Nivas Enclave,
7-1-619/A, Behind HUDA Complex
Ameerpet, Hyderabad -500038

Registrar and Share Transfer Agents:

**Venture Capital And Corporate Investments Private
Limited**

12-10-167, Bharat Nagar, Hyderabad, 500018,
Phone: +91 040-23818475/23818476/23868023
Fax: +91 040-23868024

PROFILE OF THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Mr. Dantapalli Vijaysen Reddy, Chairman and Managing Director

Mr. Dantapalli Vijaysen Reddy, a Semi-qualified Chartered Accountant, has more than 3 (Three) decades of rich and varied experience in the construction industry. Mr. Reddy's rich experience drives the successful completion of projects at Prajay. He is also involved with the expansion strategy of the Company and is entrusted with the responsibility of identifying new ventures. He oversees the entire construction activities with his vast/multi-faceted experience and his broad vision helps energize the Prajay team.

NON-EXECUTIVE & INDEPENDENT DIRECTORS

Mr. Dantapalli Rohit Reddy, Director

Mr. Dantapalli Rohit Reddy is a Graduate of Civil Engineering from Pennsylvania State University. He oversees the progress of the construction work at all project sites in coordination with the project team. He has experience in coordinating, leading and controlling the project activities, and implementing production, productivity, quality, and customer-service standards, and also having experience in resolving operational problems and identifying work process improvements.

Mr. Ravi Kumar Kutikalapudi, Director

Mr. Ravi Kumar is a Master of Technology and a Civil Engineer and brings a repository of technical expertise in construction and guides the adoption of progressive building practices to Prajay, steering innovation and quality in the Company.

Mr. Raghavender Reddy Marpadaga (Independent Director)

Mr. Raghavender Reddy Marpadaga is a Graduate of Science and Holds Masters' Degree and Posses expertise in Project Management.

Mr. Jaya Simha Reddy Lingam (Independent Director)

Mr. Jayasimha Reddy Lingam is a retired Group-A officer in Tobacco Board, Ministry of Commerce and Industry, Govt. of India with an experience of 34 years and exposure in various fields such as Administration, Marketing electronic Auctions, Extension & development fields.

Ms. Dwithiya Raghavan

Ms. Dwithiya Raghavan is a Chartered Accountant with more than 12 years' experience as a Development Professional and is currently engaged with Poverty Action Lab, South Asia in the role of Economics Policy and Research.

SENIOR MANAGEMENT AND OTHER:

Mr. Bhaskara Rao Patnana, GM – (Fin. & Accounts) & CFO

A graduate in Law and a Member of ICWAI, Mr. Bhaskara Rao has got more than 230 years of experience in various industries. He is overall in-charge of finance and accounting responsibilities and further acts as Chief Financial Officer of the company.

Mr. T Siva Kumar, Company Secretary & Compliance Officer

A B Com. graduate and a Member of ICSI, Mr. T Siva Kumar has accumulated more than 8 years of experience as Company Secretary. He is the Company Secretary and Compliance Officer for the Company.

Prajay Engineers Syndicate Limited
[CIN: L45200TG1994PLC017384]

Regd. Off.: 1-10-63 & 64, 5thFloor, Prajay Corporate House, Chikoti Gardens, Begumpet, Hyderabad - 500016, Telangana
Email: investorrelations@prajayengineers.com, Website: www.prajayengineers.com

Notice of the Twenty Ninth Annual General Meeting

NOTICE is hereby given that the 29th (Twenty Ninth) Annual General Meeting of the Members of Prajay Engineers Syndicate Limited ("the Company") will be held on Wednesday, the 27th day of September, 2023, at 5:00 P.M. (IST), through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") at the Registered Office Address of the company situated at 1-10-63 & 64, 5thFloor, Prajay Corporate House, Chikoti Gardens, Begumpet, Hyderabad - 500016, Telangana, to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt:
 - a) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2023, together with the reports of the Board of Directors and Statutory Auditors thereon; and
 - (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2023, together with the report of Statutory Auditors thereon.
2. To appoint a Director in place of Mr. Rohit Reddy Dantapalli, (DIN:07560450) who retires by rotation, and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Reappointment of Mr. Raghavender Reddy Marpadaga (DIN: 06936544) to the office of Independent Director**

Special Resolution:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, read with Schedule IV to the Companies Act, 2013 and Regulation 17, Regulation 25 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Raghavender Reddy Marpadaga (DIN: 06936544) who was appointed as an Independent Director at the 24th Annual General Meeting of the Company and who holds office as such for a term of 5 consecutive years till the date of this annual general meeting and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act proposing his candidature to the office of Director of the Company, be and is hereby reappointed to the office of Independent Director of the Company, whose office is not liable to retire by rotation, for another term of five years, that is upto conclusion of term of 5 consecutive years from the date of this annual general meeting.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this resolution."

**By order of the Board of Directors
of Prajay Engineers Syndicate Limited**

Place: Hyderabad
Date: 04.09.2023

Sd/-
Dantapalli Vijaysen Reddy
Chairman & Managing Director
(DIN: 00291185)

NOTES FOR MEMBERS:

1. In accordance with the provisions of the Act, read with the Rules made thereunder and General Circular nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020, 02/2021 dated 13th January, 2021, 21/2021 dated 14th December, 2021, 2/2022 dated 5th May, 2022 and 10/22 dated December 28, 2022 issued by the Ministry of Corporate Affairs ("MCA") read with Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 and other relevant circulars issued by the Securities and Exchange Board of India ("SEBI"), from time to time (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through Video Conference ("VC") or Other Audio Visual Means ("OAVM") upto 30th September, 2023, without physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being convened through VC/OAVM and the venue of the AGM shall be deemed to be the registered office of the Company.
2. Since this AGM is being proposed to be held pursuant to the said MCA Circulars through VC / OAVM physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Attendance Slip and Proxy Form are not attached to this Notice. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act"), in respect of items of special business is annexed hereto.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. Large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the Quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India)Limited (CDSL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by CDSL.
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020, MCA Circular No. 02/2021 dated January 13, 2021, 2/2022 dated 5th May, 2022 and 10/22 dated December 28, 2022, issued by the Ministry of Corporate Affairs ("MCA") read with Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 and other relevant circulars issued by the Securities and Exchange Board of India ("SEBI"), from time to time (hereinafter collectively referred to as "the Circulars")
8. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to the Notice.
9. The voting rights of the Shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on cut-off date i.e. Wednesday, 20 September, 2023.
10. The e-voting commences on Saturday, 23 September, 2023 at 09.00hrs. (IST) and ends on Tuesday, 26 September, 2023 at 17.00hrs. (IST). A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date i.e. Wednesday, 20 September, 2023 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM. Any person who is not a member on the cut-off date should treat this notice for information purposes only.
11. In accordance with, the General Circular No. 20/2020 dated 5 May 2020 issued by MCA and Circular No. SEBI/ HO/CFD/ CMD1/CIR/P/2020/79 dated 12 May 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the Annual Report for the FY 2022-23 (financial statements including Report of Board of Directors, Auditor's Report or other documents required to be attached therewith) such

statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the company/RTA or the Depository Participant(s).

12. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website www.prajayengineers.com, on the website of the Stock Exchanges viz., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL www.evotingindia.com. The Company will also be publishing an advertisement in newspaper containing the details about the AGM i.e., the conduct of AGM through VC/ OAVM, date and time of AGM, availability of notice of AGM at the Company's website, manner of registering the email IDs of those shareholders who have not registered their email addresses with the Company/ RTA, and other matters as may be required.
13. The shareholders can opt for only one mode of voting i.e., remote e-voting or venue voting through VC/OAVM at the AGM. In case of voting by both the modes, vote cast through remote e-voting will be considered final and e-voting through VC/OAVM at AGM will not be considered.
14. CS M Ramana Reddy (COP No. 18415), M/s P.S. Rao & Associates, Practicing Company Secretaries, Hyderabad, has been appointed by the Board of Directors as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.
15. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance, i.e., from September 11, 2023 (9.00 a.m. IST) to September 17, 2023 (5.00 p.m. IST), mentioning their name, demat account number/folio number, email id, mobile number at investorrelations@prajayengineers.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance, i.e., from September 11, 2023 (9.00 a.m. IST) to September 17, 2023 (5.00 p.m. IST), mentioning their name, demat account number/folio number, email id, mobile number at investorrelations@prajayengineers.com. These queries shall be replied suitably by the Company at the meeting or by e-mail.

Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict.

16. The Register of Members and share transfer books of the company will remain closed from Thursday, 21 September, 2023 to Wednesday, 27 September, 2023 (both days inclusive) for the purpose of the 29th AGM of the company
17. To support the 'Green Initiative' Members holding shares in physical mode and who have not updated their email addresses are requested to update their email addresses with Registrar & Share Transfer Agent (R&STA) at info@vcciplindia.com by providing their Name as registered with the R&STA, Address, email ID, PAN, DPID/Client ID or Folio Number and Number of shares held by them along with the copy of the signed request letter mentioning the name and address of the Member, in support of the address of the Member.
18. Members holding shares in dematerialized mode are requested to register or update their email addresses with the relevant Depository Participants.
19. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form with the Registrar & Share Transfer Agents (RTA) of the Company. All communications in respect of share transfers dematerialization and change in the address of the members may be communicated to the RTA.
20. **Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):**
During the month of July, 2019 pursuant to the directions of the IEPF Authority, the company has transferred the 34103 (Thirty-four Thousand One Hundred and Three Only) equity shares in respect of which the dividend has not been claimed for seven consecutive years. The members can claim the transfer of such shares from IEPF in accordance with the procedure and on submission of the documents as prescribed from time to time. Additionally, the details have also been uploaded on the website of the Company.
21. Retirement of Directors by rotation: Mr. Rohit Reddy Dantapalli, (DIN: 07560450), Director who retires by rotation, and being eligible offers himself for reappointment. The Board of Directors recommends the reappointment of: Mr. Rohit Reddy Dantapalli, (DIN: 07560450), Director, whose office is liable to retire by rotation.
22. Pursuant to the provisions of Sections 139, 141 & 142 and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) read with the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendations of Audit Committee, M/s. Karumanchi & Associates, Chartered Accountants, Hyderabad,

bearing Firm Registration No. 001753S, who have confirmed their eligibility in terms of the provisions of Section 141 of the Companies Act, 2013, were appointed as Statutory Auditors of the Company for a Second Term of 5 years, to hold office from the conclusion of 27th Annual General Meeting till the conclusion of the 32nd Annual General Meeting of the company.

E-VOTING

CDSL e-Voting System – For Remote e-voting and e-voting during AGM

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and 2/2022 dated 5th May, 2022 read with Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 and other relevant circulars issued by the Securities and Exchange Board of India ("SEBI"), from time to time (hereinafter collectively referred to as "the Circulars"). The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 and read with Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 and other relevant circulars issued by the Securities and Exchange Board of India ("SEBI"), from time to time (hereinafter collectively referred to as "the Circulars"), the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at www.prajayengineers.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 read with Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 and other relevant circulars issued by the Securities and Exchange Board of India ("SEBI"), from time to time (hereinafter collectively referred to as "the Circulars").

CDSL e-Voting System – For Remote e-voting

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING:

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on Tuesday, 27 September, 2022 at 09.00 hrs. (IST) and ends on Thursday, 29 September, 2022 at 17.00hrs. (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e Friday, 23 September, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.

Individual Shareholders holding securities in Demat mode with NSDL Depository	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800225533
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (v) Login method for Remote e-Voting for Physical shareholders and shareholders other than individual holding in Demat form.
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on "Shareholders" module.
 - 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz., investorrelations@prajayengineers.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

- For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.

2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at Toll Free No. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at Toll Free No.1800 22 55 33

C. General Instructions:

- i. The voting rights of Members shall be in proportion to the shares held by them in the paid-up equity share capital of the Company as on Wednesday, 20 September, 2023
- ii. The Scrutinizer, after scrutinizing the votes cast at the meeting through remote e-voting and during AGM shall, not later than 2 working days from the conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.prajayengineers.com and on the website of CDSL www.cdslindia.com. The results shall simultaneously be communicated to the Stock Exchanges.
- iii. The voting result shall be announced by the Chairman or any other person authorized by him 2 working days of the conclusion of the AGM.

**By order of the Board of Directors
of Prajay Engineers Syndicate Limited**

**Place: Hyderabad
Date: 04.09.2023**

**Sd/-
Dantapalli Vijaysen Reddy
Chairman & Managing Director
(DIN: 00291185)**

Information to the members at a glance:

Particulars	Details
Date of AGM	Wednesday, the 27 th day of September, 2023
Time of AGM	05:00 p.m. (IST)
Mode of conducting AGM	Video Conferencing (VC) and Other Audio-Visual Means (OAVM)
Book closure date	Thursday, 21 September, 2023 to Wednesday, 27 September, 2023 (both days inclusive)
Cut-off date for e-voting	Wednesday, 20 September, 2023
E-voting start time and date	Saturday, 23 September, 2023 at 09.00hrs. (IST)
E-voting end time and date	Tuesday, 26 September, 2023 at 17.00hrs. (IST)
Address of the Registered office & contact details of the company	1-10-63 & 64, 5 th Floor, Prajay Corporate House, Chikoti Gardens, Begumpet, Hyderabad - 500016, Telangana. Tel: +91-40-66255566, Email: Investorrelations@prajayengineers.com Website: www.prajayengineers.com
Name, address and contact details of Registrar and Share Transfer Agent (RTA)	Venture Capital & Corporate Investments Private Limited. "AURUM", 4th & 5th Floors, Plot No.57, Jayabheri Enclave Phase – II, Gachibowli, Hyderabad – 500032 Landline: 040-23818475/35164940 email-Id: info@vcciplindia.com

**By order of the Board of Directors
of Prajay Engineers Syndicate Limited**

**Place: Hyderabad
Date: 04.09.2023**

**Sd/-
Dantapalli Vijaysen Reddy
Chairman & Managing Director
(DIN: 00291185)**

Annexure - I

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013:

Item Nos.3

As the members are aware, Mr. Raghavender Reddy Marpadaga (DIN: 06936544) was appointed as an Independent Director of the Company by the members in their 24th (Twenty Fourth) Annual General Meeting held on 29th September, 2018 to hold office for a term of 5 consecutive years from the date of 24th AGM. Pursuant to the provisions of Section 149 read with Schedule IV to the Companies Act, 2013, an Independent Director may be reappointed for another term of 5 years, if approved by members by way of Special Resolution.

In the opinion of the Board, Mr. Raghavender Reddy Marpadaga, fulfils the conditions for his reappointment as an independent Director, as specified in the Act and the Listing Regulations and he is independent of the management. He has the skills and capabilities required for the role of Independent Director and has leadership skills and vast operational experience and possesses an expertise in Project Management, Real Estate and Hospitality Sector. He has been providing Strategic inputs on corporate, financial and operating matters of the company.

The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") signifying his intention to propose the appointment of Mr. Raghavender Reddy Marpadaga, as an Independent Director of the Company. The Company has also received a declaration from Mr. Raghavender Reddy Marpadaga, confirming that he meets the criteria of Independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Further Nomination and Remuneration Committee has recommended the reappointment of Mr. Raghavender Reddy Marpadaga, as an Independent Director.

Mr. Raghavender Reddy Marpadaga is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company.

A copy of the draft letter of appointment for Independent Director, setting out the terms and conditions for appointment of Independent Director is available for inspection by the Members at the registered office of the company during the business hours on any working day and is also available on the website of the company – prajayengineers.com, under weblink: www.prajayengineers.com/investors

Mr. Raghavender Reddy Marpadaga and his relatives be deemed to be concerned or interested in **Item No.3** as it relates to his appointment as a Director of the Company. None of the other Directors, Key Managerial Personnel or their respective relatives are in any way concerned or interested financially or otherwise in the Resolution mentioned at **Item No. 3** of the accompanying Notice.

Your Board of Directors recommend the Special Resolution for your consideration and approval.

**By order of the board of Directors
of Prajay Engineers Syndicate Limited**

**Place: Hyderabad
Date :04.09.2023**

**Sd/-
Dantapalli Vijaysen Reddy
Chairman & Managing Director
(DIN: 00291185)**

Information in respect of Director(s) seeking appointment/re-appointment as required under SEBI (LODR) Regulations, 2015 and Secretarial Standards-2 (SS-2)

I. Name of the Director	Mr. Dantapalli Rohit Reddy	Mr. Raghavender Reddy Marpadaga
Date of Appointment including terms and conditions of appointment	He was Originally appointed on the Board of the Company on 26.10.2017. He was appointed as Director eligible to retire by rotation w.e f. 25th April, 2019	He was appointed as an Additional Director (Independent Category) in the Board meeting of the Company held on 14th November, 2017 and as Independent Director at 24th AGM of the Company
Date of first appointment on the Board	26.10.2017	14.11.2017
Date of Birth	21.05.1992	24.02.1972
Expertise in Specific Functional areas and Experience	Co-ordinating, leading and controlling the project activities, implementing production, productivity, quality, and customer-service standards, resolving operational problems, and identifying work process improvements.	Having an expertise in Project Management
Educational Qualification	Graduate of Civil Engineering from Pennsylvania State University	Mr. Raghavender Reddy Marpadaga is Graduate of Science and Holds Masters Degree in Project Management
Directorships in other Companies	None	1
Membership/Chairmanships of committees of Other Boards (other than the Company)	None	None
Details of Remuneration sought to be paid and the remuneration last drawn by such person	None	None
Shareholding in the Company as on 31 st March, 2023	500534	Jointly holding 234192 (as a second shareholder) equity shares
Relationship between Directors inter-se/Manager and KMPs	Son of Mr. D Vijaysen Reddy, Chairman and Managing Director and Promoter of the Company	None
Number of Meetings of the Board attended during the year	6	6

**By order of the Board of Directors
of Prajay Engineers Syndicate Limited**

**Place: Hyderabad
Date: 04.09.2023**

**Sd/-
Dantapalli Vijaysen Reddy
Chairman & Managing Director
(DIN: 00291185)**

BOARD REPORT

To
The Members
Prajay Engineers Syndicate Limited ("the Company" or "PESL")

Your Directors are pleased to submit the 29th Annual Report of your Company together with the Audited Financial Statements (both Standalone and Consolidated) for the Financial Year (FY) ended 31st March, 2023 and report of the Statutory Auditors thereon. Consolidated performance of the Company and its subsidiaries has been referred to wherever required.

FINANCIAL RESULTS:

Certain key aspects of your Company's performance (on Standalone & Consolidated basis) during the financial year ended 31st March, 2023, as compared to the previous financial year are summarized below:

(Amount in Rs. Lakhs except share data)

Particulars	Year ended 31.03.2023		Year ended 31.03.2022	
	Standalone	Consolidated	Standalone	Consolidated
Total Income	4872.27	4873.44	9519.97	9519.22
Total Expenditure	5600.48	5737.41	9878.90	9589.91
Interest	395.22	396.13	513.98	514.02
Depreciation	403.45	403.46	407.78	410.96
Profit/(Loss) before Prior period Items	(728.21)	(863.57)	(59.73)	(70.69)
Prior period adjustments/ Exceptional items	-	-	-	-
Share of Profit/loss of associates	-	(48.94)	-	(117.80)
Profit before Exceptional items and tax	(728.21)	(912.51)	(59.73)	(188.49)
Exceptional items	-	-	-	-
Current Tax	-	-	-	-
Prior period tax	-	-	-	-
Deferred Tax Charge	28.77	29.80	59.96	60.35
Total Tax expenses	28.77	29.80	59.96	60.35
Profit/(Loss) after Tax/Profit for the year	(756.98)	(942.31)	(119.69)	(248.84)
Other Comprehensive Income net of tax	0.35	0.35	0.17	0.17
Total comprehensive Income	(756.63)	(941.96)	(119.52)	(248.67)
EPS (Basic and as well as Diluted)	(1.08)	(1.34)	(0.17)	(0.36)

NATURE OF BUSINESS

The Company is engaged in the activities of Real Estate Development, Construction activities and Hospitality. During the financial year under review, there was no change in the nature of the business of the company.

REVIEW OF OPERATIONS

During the current Financial Year 2022-23, your company reported a Consolidated Income of Rs.4873.44 Lakhs against Rs.9519.22 for the previous Financial Year. The Loss for the current Financial Year 2022-23 stood at Rs.938.96 Lakhs as against Rs.248.67 Lakhs for the previous Financial Year.

The Standalone Income of your company for the current Financial Year 2022-23 stood at Rs.4872.27 Lakhs as against Rs.9519.17 Lakhs for the previous Financial Year. The Total loss for the Financial Year 2022-23 was Rs.756.63 Lakhs as against an amount of Rs.119.52 Lakhs during the previous Financial Year.

TRANSFER TO GENERAL RESERVES

No amount has been transferred to General Reserves during the financial year under review.

DIVIDEND

Your Board of Directors do not recommend any dividend, in view of losses incurred during the financial year under review.

SUBSIDIARIES

As on 31st March, 2023 the Company has 3 (Three) subsidiaries viz., Prajay Holdings Private Limited (PHPL), Prajay Retail Properties Private Limited (PRPPL) and Secunderabad Golf and Leisure Resorts Private Limited (SGLRPL) and one step down subsidiary viz., Prajay Developers Private Limited (PDPL). Your company also has two Associates viz., Prajay Properties Private Limited (PPPL) and Genesis Capital Private Limited as on 31st March, 2023. PRPPL and SGLRPL are the wholly owned (100%) subsidiaries of the Company.

There has been no material change in the nature of the business of the subsidiaries. The consolidated financial statements of the Company and its subsidiaries, prepared in accordance with applicable Indian Accounting Standards (IND AS), as specified under Section 133 of the Companies Act, 2013 (The Act) read with Rules made thereunder, forms part of this Annual Report.

REPORT ON PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 a statement containing salient features of the financial statements of the Company's subsidiaries in **Form AOC-1** is attached to the standalone financial statements of the Company as Annexure 1.

SHARE CAPITAL

There is no change in the capital structure of the company during the year under review.

DISCLOSURE UNDER COMPANIES (SHARE CAPITAL AND DEBENTURE) RULES, 2014.

During the year under review, your company has not issued any equity shares with differential rights/sweat equity shares. Further the company has not grant/vest any employee stock option scheme/employee stock purchase schemes. Further at the beginning of the year there were no outstanding options granted. Hence, there is no requirement of disclosures under Companies (Share Capital and Debenture) Rules, 2014.

DISCLOSURES IN RESPECT OF VOTING RIGHTS NOT DIRECTLY EXERCISED BY EMPLOYEES

There are no shares held by trustees for the benefit of employees and hence no disclosure under Rule 16(4) of the Companies (Share Capital and Debentures), 2014 is required to be furnished.

DIRECTORS & KEY MANAGERIAL PERSONNEL

During the year under review there were no changes in office of Directors and Key Managerial Personnel of the company:

In accordance with Section 152 of the Companies Act, 2013, Mr. Rohit Reddy Dantapalli, (DIN:07560450) , Director of the Company, retires by rotation in this ensuing AGM to be held on Wednesday, the 27th day of September, 2023, and being eligible has offered himself for re-appointment. The Board recommends his re-appointment.

Mr. Raghavender Reddy Marpadaga (DIN: 06936544) completes his term of appointment as Independent Director of the Company at the ensuing AGM. Pursuant to the provisions of Section 149 read with Schedule IV to the Companies Act, 2013, an Independent Director may be reappointed for another term of 5 years, if approved by members by way of Special Resolution. Mr. Raghavender Reddy Marpadaga (DIN: 06936544) is proposed to be appointed as an Independent Director for a Second Term.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013 and in relation to the audited financial statements of the Company for the year ended 31st March 2023, the Board of Director hereby confirms that:

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. Such accounting policies as mentioned in the notes to the financial statements have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2022-23 and of the profit or loss of the Company for that period;

- c. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The annual accounts for the year 2022-23 have been prepared on a going concern basis.
- e. Those proper internal financial controls were in place and that the financial controls are adequate and are operating effectively.
- f. Proper Systems have been devised to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively

ANNUAL EVALUATION OF DIRECTORS, COMMITTEES AND BOARD

The Nomination and Remuneration Committee of the Board has formulated a Performance Evaluation Framework, under which the Board of Directors has carried out an annual evaluation of its own performance, performance of all the Board Committees and Individual Directors pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 (hereinafter referred as "SEBI (LODR) Regulations").

The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

BOARD DIVERSITY

The Policy on Board Diversity of the Company devised by the Nomination and Remuneration Committee and approved by the Board is disseminated under the weblink of the Company at www.prajavengineers.com/investors

CODE OF CONDUCT AND DECLARATION ON CODE OF CONDUCT

Your Company has laid down a Code of Conduct for all Board members, Senior Management and Independent Directors of the company in line with the provisions of SEBI (LODR) Regulations and Companies Act, 2013. The said Code of Conduct has been posted on the website of the Company weblink www.prajavengineers.com/investors. Declaration of Code of Conduct is enclosed to this Board Report as an Annexure to Corporate Governance Report.

AUDIT COMMITTEE

An Audit committee has been constituted in terms of Section 177 of Companies Act, 2013 and in terms of Regulation 18 of SEBI (LODR) Regulations. The composition and brief terms of the committee and its meetings etc. has been provided under Corporate Governance report which forms part of this Board report. All the recommendations made by the Audit Committee were accepted by the Board.

ESTABLISHMENT OF VIGIL MECHANISM:

The Company has adopted a whistle blower policy establishing a vigil mechanism to provide a formal mechanism to the directors and employees to report concern about unethical behavior, actual or suspected fraud or violation of code of conduct and ethics.

It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and provides direct access to the chairperson of the audit committee in exceptional cases. The whistle blower policy aims for conducting the affairs in a fair and transparent manner by adopting higher standards of professionalism, honesty, integrity and ethical behavior. All permanent employees of the company are covered under the whistle blower policy.

It is affirmed that no personnel of the company has been denied access to the audit committee. The policy of vigil mechanism is available on the company's weblink www.prajavengineers.com/investors.

NOMINATION & REMUNERATION COMMITTEE:

A Nomination has been in constituted in terms of Section 178 of Companies Act, 2013 and in terms of Regulation 19 of SEBI (LODR) Regulations. The composition and brief terms of the committee and its meetings etc. has been provided under Corporate Governance report which forms part of this Board Report. All the recommendations made by the Audit Committee were accepted by the Board.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The company has constituted a Corporate Social Responsibility Committee and details of the Committee have been provided under Corporate Governance Report, which forms part of this Board Report.

OTHER BOARD COMMITTEE(S)

For the details of other Board Committee(s), please refer the Corporate Governance report which is annexed to this Board Report.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Salient Features of the Company's policy on directors' appointment and remuneration and other matters including performance evaluation are provided in the Corporate Governance Report which forms part of this Board report. Nomination and Remuneration Policy available under weblink www.prajavengineers.com/investors

MEETINGS OF THE BOARD OF DIRECTORS DURING THE FINANCIAL YEAR

Six (6) meetings of the Board of directors were held during the year. For details of the meetings of the Board, please refer to the corporate governance report, which forms part of Board Report.

MEETING OF INDEPENDENT DIRECTORS:

During the financial year under review, in accordance with the provision of Schedule IV of the Companies Act, 2013 and SEBI (LODR) Regulations, separate meeting of Independent Directors of the Company held on 11th February, 2023 and the same has reported in the Corporate Governance Report.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

All Independent Directors (IDs) inducted into the Board are provided with an orientation on company structure and Board constitution and procedures, matters reserved for the Board, and our major risks and risk management strategy. The company familiarize the independent directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, etc., through various Interactions and familiarization programmes. Details of the familiarization program of the independent directors are available on the website of the Company www.prajavengineers.com/investors.

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

The performance evaluation criteria for Independent Directors is determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgments etc. Based on said criteria the entire Board will evaluate the performance of Independent Directors.

DECLARATIONS BY INDEPENDENT DIRECTORS

All Independent Directors have submitted declarations stating that they fulfill the criteria of independence as laid down under Section 149(6) of the Act and Securities and Exchange Board of India. In the opinion of the Board, the independent directors fulfill the conditions specified in SEBI (LODR) Regulations and are independent of the management.

STATUTORY AUDITORS AND THEIR REPORTS

As per the provisions of Companies Act, 2013 read with rules made thereunder, M/s. Karumanchi & Associates, Chartered Accounts, Hyderabad, Statutory Auditors of the Company were reappointed as Statutory Auditors of the Company for second term of five (5) consecutive years to hold office from the conclusion of 27th Annual General Meeting till the conclusion of the 32nd Annual General Meeting of the company.

Observation of Statutory Auditors on Financial Statements for the year ended March 31, 2023

The audit report does not contain any qualification, reservation or adverse remark or disclaimer or modified opinion. The Key emphasis matters are self-explanatory. For clarifications on key emphasis matters relating to the delay in realization of trade receivables and realization of loans and advances given, please refer Note 39(a) and 39(b) of Notes to Standalone Financial Statements. For clarifications on Demand Notice received by the Company, please refer Note 41 of Notes to Standalone Financial Statements.

FRAUD REPORTING

During the year under review, no instances of fraud were reported by the Statutory Auditors of the Company.

INTERNAL AUDITOR:

The Company has appointed Mr. M. Shanker, MBA-Finance, Employee of the Company as Internal Auditor of the Company.

COST AUDIT/MAINTENANCE OF COST RECORDS

For the Financial Year ended 2022-23, your company is required to maintain Cost Records as specified by the Central Government under Sub-section (1) of Section 148 of the Companies Act, 2013, in respect of the activities

carried on by the Company. However, Cost Audit as specified under Rule 4 of the Companies (Cost Records and Audit) Rules, 2014 is not applicable to your Company.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has adequate internal control systems and procedures designed to effectively control its operations. The Internal Control Systems are designed to ensure that the financial and other records are reliable for the preparation of financial statements and for maintaining assets. The Company has well designed Standard Operating Procedures considering the essential components of internal control as stated in the Guidance Note on Audit of Internal Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. Internal Auditor conducts audit covering a wide range of operational matters and ensure compliance with specified standards. Planned periodic reviews are carried out by Internal Auditor. The findings of Internal Audit are reviewed by the top management and by the Audit Committee of the Board of Directors. Based on the deliberations with Statutory Auditors to ascertain their views on the financial statements including the Financial Reporting System and Compliance to Accounting Policies and Procedures. The Audit Committee was satisfied with the adequacy and effectiveness of the Internal Controls and Systems followed by the Company.

SECRETARIAL AUDITOR:

Pursuant to the provisions of Section 204(1) of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 your Company has appointed Mr. M. Ramana Reddy, P S Rao & Associates Practicing Company Secretaries, Hyderabad as Secretarial Auditor, to undertake the Secretarial Audit of the Company for the Financial Year 2022-23.

The Secretarial Audit Report as required under provisions of the Companies Act as stated above and also as required under Regulation 24 A of the SEBI (LODR) Regulations is annexed herewith to this Report as Annexure-7.

REPLIES TO REMARKS OF SECRETARIAL AUDITOR OF PESL

The remarks/comments raised/provided by the Secretarial Auditor are self-explanatory.

Demand notice of Investors of Prajay Properties Private Limited

In furtherance to the mediation proceedings pertaining to the disputes between the Investor Entities (i.e. White Stock Limited & Belclare Limited) and Prajay Entities including Prajay Engineers Syndicate Limited (The Company), The Settlement Agreement has been executed amongst and by the parties, under the auspices of International Arbitration and Mediation Centre, (IAMC) Hyderabad and the filing of the compromise terms before the National Company Law Tribunal (NCLT), Hyderabad has been completed. The cases filed by the Investor Entities before the Hon'ble NCLT Bench, Hyderabad have accordingly been disposed off.

IEPF

During the month of July, 2019 pursuant to the directions of the IEPF authority the company has transferred the 34103 (Thirty-Four Thousand One Hundred and Three) equity shares in respect of which the dividend has not been claimed for seven consecutive years. The members can claim the transfer of such shares from IEPF in accordance with the procedure and on submission of the documents as prescribed from time to time. Additionally, the details have also been uploaded on the website of the Company.

Unclaimed Deposit

The deposit amount approx. Rs.1,38,617/- (including interest) as referred in the report is the unclaimed deposit amount pertaining to previous financial years (i.e. FY 2012/2013) which was not claimed by the depositors (whose addresses are not traceable). This amount is being transferred to IEPF in accordance with statutory provisions.

POLICY ON PREVENTION, PROHIBITION AND REDRESAL OF SEXUAL HARASSMENT AT WORK PLACE

Your Company has in place the Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressed) Act, 2013.

Internal Complaints Committee:

Internal Complaints Committee (ICC) has been set up under Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressed) Act, 2013.

To redress complaints received regarding sexual harassment. Your company has complied with the provisions relating to the constitution of ICC. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the financial year under review, the Company has not received any complaint on sexual harassment. In compliance with the directions of the Telangana State Government, your Company has registered the ICC on prescribed T-She Portal.

POLICY ON MATERIAL SUBSIDIARIES

Policy for determining material subsidiaries of the Company is available on the website of the Company www.praiaengineers.com/investors

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion and Analysis Report as required under Regulation 34 & Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and enclosed as **Annexure- 5** to this Directors (Board) Report.

CORPORATE GOVERNANCE

Report on Corporate Governance enclosed as **Annexure- 6** to this Board report. A certificate from P S Rao & Associates the Practicing Company Secretaries regarding compliance with the corporate governance norms stipulated also annexed to the corporate governance report.

EXTRACT OF ANNUAL RETURN:

In accordance with Section 134 (3) (a) of the Companies Act, 2013, a copy of Annual Return in the prescribed format i.e. Form MGT -7 is placed on the website of the Company and may be accessed at www.praiaengineers.com under weblink www.praiaengineers.com/investors

PUBLIC DEPOSITS:

During the Financial Year 2022-23, your Company has not accepted any deposit that falls within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014. Further there are no amount outstanding as at the beginning of Financial Year 2020-21 which can be classified as 'Deposits' in terms of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014 and hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Companies Act, 2013 is not applicable. However, an amount of Rs.1,00,000/- (including interest) remains unclaimed by the previous depositors.

PARTICULARS OF LOANS, GUARANTEES, SECURITIES OR INVESTMENTS UNDER SECTION 186.

The details of loans given, investments made, guarantees given and securities provided during the year under Section 186 of the Act are available under Note 8 & 9 of the notes to the standalone financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 and Pursuant to SEBI (LODR) Regulations are given in Form **AOC-2** and forms part of this Board Report as **Annexure - 2** and under **Note 28** to Standalone Financials.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

There are no significant material orders passed by the regulators/courts/tribunals which would impact the going concern status of your Company and its future operations.

Petition filed by Investors of Subsidiary and Associates Companies

In furtherance to the mediation proceedings pertaining to the disputes between the Investor Entities (i.e. White Stock Limited & Belclare Limited) and Prajay Entities including Prajay Engineers Syndicate Limited (The Company), The Settlement Agreement has been executed amongst and by the parties, under the auspices of International Arbitration and Mediation Centre, (IAMC) Hyderabad and the filing of the compromise terms before the National Company Law Tribunal (NCLT), Hyderabad has been completed. The cases filed by the Investor Entities before the Hon'ble NCLT Bench, Hyderabad have accordingly been disposed off.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There are no material changes and commitments in the business operations of the company for the financial year ended 31st March, 2023 and to the date of signing of the Director's Report.

CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business of the Company

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is annexed as **Annexure- 3** to this Directors (Board) Report.

RISK MANAGEMENT:

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include inventory, trade and other receivables, cash and cash equivalents and land advances and refundable deposits that derive directly from its operations.

The Company is mainly exposed to market risk, credit risk and liquidity risk. The company has a risk management policy and framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives, and enhance the Company's competitive advantage. This framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

INDUSTRIAL RELATIONS:

Your directors are happy to report that the industrial relations have been cordial at all levels throughout the year. Your directors record their appreciation for all the efforts, support and co-operation of all employees being extended from time to time.

LISTING AT STOCK EXCHANGES:

The equity shares of your Company are listed on NSE and BSE (the stock exchanges). The listing fee has been paid for the year 2022-23.

CEO AND CFO CERTIFICATION AS PER REGULATION 17(8) OF SEBI (LODR) REGULATIONS:

As required by Regulation 17(8) of SEBI (LODR) Regulations, certification on the Financial Statements and the Internal Control Systems for financial reporting has been obtained from Mr. Dantapalli Vijaysen Reddy Chairman and Managing Director and Mr. Bhaskara Rao Patnana – Chief Financial Officer of the company and the same was reviewed by the Board of Directors and is annexed to the Corporate Governance Report.

HUMAN RESOURCES:

Your Company recognizes that "Human Resource" is its main asset. Your Company HR policy aims at enhancing individual capabilities for future readiness, driving greater employee engagement and strengthening employee relations further.

Considering the present market conditions, your Company has down sized its human resources and retaining only that are directly relevant to its growth at this stage. To attract and retain people, your Company provides a judicious combination of attractive career, personal growth and a lucrative compensation structure. Your Company places great importance on nurturing and retaining the best skills in the industry.

INFORMATION TO BE FURNISHED UNDER COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

Not applicable as no employee of the Company is in receipt of such remunerations specified under above stated rule. However, the other information as required to be furnished under Rule 5(1) and 5(2) of above stated rules is provided under **Annexure- 4**

Other Disclosures

During the financial year under review, your Company has not revised financial statement(s).

No valuation of the Company has been done during the year under review, either for the purpose of One Time Settlement (OTS) or for the purpose of taking loan from bank/FIs.

ACKNOWLEDGEMENTS:

Your Directors thank the various Departments of Central/ State Government, SEBI, Stock Exchanges, RBI, MCA and other Regulatory Bodies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz., Shareholders, Customers, Bankers, Suppliers, Joint Venture Partners and other business associates for the excellent support received from them. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution and confidence reposed in the management.

**For and on behalf of the Board
Prajay Engineers Syndicate Limited**

Sd/-

**DantapalliVijaysen Reddy
Chairman & Managing Director (DIN: 00291185)**

**Place : Hyderabad
Date :04.09.2023**

Annexure – 1

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part “A”: Subsidiaries

Rs.. In Lakhs

Sl. No.	Particulars	Details			
1.	Name of the subsidiary	Prajay Holdings Pvt.Ltd.	Prajay Developers Pvt.Ltd.(Step down Subsidiary)	Prajay Retail Properties Pvt.Ltd.	Secunderabad Golf and Leisure Resorts Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.03.2023	31.03.2023	31.03.2023	31.03.2023
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA	NA	NA
4.	Share capital	128.21	2,182.32	50.00	1.00
5.	Reserves & surplus	2843.39	(14.29)	(150.54)	(410.40)
6.	Total assets	21716.85	2218.02	1038.97	1430.91
7.	Total Liabilities	1734.13	49.99	1139.51	232.87
8.	Investments	2182.32	-	-	-
9.	Turnover	-	-	-	-
10.	Profit before taxation	(132.68)	(0.17)	(0.22)	(0.34)
11.	Provision for taxation	-	-	-	-
12.	Profit after taxation	(132.68)	(0.17)	(0.22)	(0.34)
13.	Proposed Dividend	Nil	Nil	Nil	Nil
14.	% of shareholding	78%	-	99.92%	99.99%

Names of subsidiaries which are yet to commence operations

Prajay Developers Pvt.Ltd. (Step down subsidiary)

Prajay Retail Properties Pvt.Ltd.

Secunderabad Golf and Leisure Resorts Private Limited

Names of subsidiaries which have been liquidated or sold during the year. – Nil

Part “B”: Associates

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Rs. In Lakhs

Sl. No.	Name of associates	Prajay Properties Pvt Ltd	Genesis Capital Pvt.Ltd., Mauritius
1.	Latest audited Balance Sheet Date	31.03.2023	31.03. 2015
2.	Shares of Associate/Joint Ventures held by the company on the year end	64591	10000
3.	Amount of Investment in Associates/Joint Venture	Investment in Equity Rs.6.46 lacs and in Preference shares Rs.4013.00 lacs	5.18
4.	Extend of Holding%	49.49%	50%
5.	Description of how there is significant influence	Group Company	Common Director
6.	Reason why the associate/joint venture is not consolidated	Share holding is less than 51%	Share holding is less than 51%
7.	Net worth attributable to shareholding as per latest audited Balance Sheet	75.05	NA
8.	Profit/Loss for the year	(98.88)	NA
9.	Considered in Consolidation	(48.93)	NA
10.	Not Considered in Consolidation	(49.95)	NA

Names of associates or joint ventures which are yet to commence operations. - Genesis Capital Pvt.Ltd., Mauritius

Names of associates or joint ventures which have been liquidated or sold during the year. NIL

Annexure – 2

FORM NO. AOC-2

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

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

1. Details of contracts or arrangements or transactions **not at** Arm's length basis –**NIL**
2. Details of contracts or arrangements or transactions at Arm's length basis

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Prajay Holdings Private Limited Subsidiary Company
b)	Nature of contracts/arrangements/transaction	Construction related services
c)	Duration of the contracts/arrangements/transaction	Work Order has been issued by subsidiary company on 25.09.2012 and valid till the completion of the project.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	To provide Infra works, Road Works, Civil & Allied works for Villas at project site Prajay Virgin County. The value of the Work Order is Rs.66.54 Crores
e)	Date of approval by the Board	The agreement is entered on arm-length basis, hence not required any board's approval. However as per Regulation 23 of SEBI (LODR) Regulations, 2015, the company has obtained the shareholders' approval at the AGM held on 16.08.2016.
f)	Amount paid as advances, if any	Nil

3. Details of Material contracts / arrangements / transactions at Arm's length basis

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Prajay Properties Private Limited, Associate Company
b)	Nature of contracts/arrangements/transaction	Construction related services
c)	Duration of the contracts/arrangements/transaction	Joint Development Agreement was entered on 01.06.2010 and valid till the completion of the project.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	To construct a residential project comprising of high rise apartment blocks including car parking, club houses, and recreational facilities as per the development plan valuing Rs.808 crores.
e)	Date of approval by the Board	The agreement is entered on arm-length basis, hence not required any board's approval. However as per Regulation 23 of SEBI (LODR) Regulations, 2015, the company has obtained the shareholders' approval at the AGM held on 16.08.2016.
f)	Amount paid as advances, if any	Nil

Annexure-3

Information Pursuant to Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 in respect of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

A. CONSERVATION OF ENERGY

I. A Steps taken for conservation of energy:

- (a) Company is using CFL lamps with electronic ballasts in place of normal tube lights in staircases and terrace, which are saving 60% energy consumption than that of normal tube lights
- (b) In corridors of typical floors, we are using all LED light fixtures of lesser wattage, which is less in wattage by 50%
- (c) In the basement and external areas, we are using LED light fixtures which are less in wattage with high efficiency compared to normal conventional metal halide, sodium vapor & mercury vapor light fixtures. By using LEDs we will be able to save 50% energy consumption compared to that of CFL fixtures and 60-65% than the normal conventional light fixtures as mentioned above.
- (d) Using high efficiency motors to save power consumption. Firefighting pumps, PHE pumps which generally run continuously are of higher capacities and will consume more power. By using high efficiency motors, the power consumption will be saved by 18-20% than that of normal regular pumps.
- (e) Creating more number of fresh air paths to the basements to reduce utilization of mechanical ventilation system, resulting in reducing power consumption of forced ventilation system.

II. Steps taken by the Company for utilizing alternate sources of energy:

- (i) We are in planning of using Solar energy systems for street lighting, garden lighting & power to common loads like water pumps, fire pumps & basement ventilation fans which consume more energy
- (ii) DG power supply is one more alternative source of power supply to the premises in case of either shortage of power supply or in case of power failures. Even these generators are also of low emission with high efficiency alternators and engines to give longer span of life
- (iii) Commitment to a minimum level of certification under a green building rating will ensure that our customers are able to enjoy the benefits of clean fuels and lower energy bills.
- (iv) Innovative and intelligent planning and energy modeling is a core feature of our design practices. Orientation of our buildings coupled with appropriate fenestration significantly decreases the energy requirements for cooling and lighting.
- (v) Solar rooftop reduces the energy requirement for common area lighting Solar water heating reduces the energy requirement for hot water in residential buildings.
- (iii) The capital investment on energy conservation equipment's, if any:
There was no capital investment made on energy conservation equipment's during the year under review.

B. TECHNOLOGY ABSORPTION

I. The efforts made towards technology absorption

- (a) Technical Initiatives:
 - Deployment of machines to substitute partly or fully manual work.
 - Use of pre-fabrication fully or partly at site to increase reliability.
 - Solar technologies for common area, parking and street lighting.
 - Solar water heating for residential buildings.
- (b) Process Initiatives:
 - The organization of the work with the help of scheduling, structuring of work force in tandem with job descriptions and closing time gaps to ensure efficiency.
 - In depth planning of construction activities/procedures which in turn will result in stable levels of quality, shorter time lines and reduced consumptions of man and material at site.
 - The usage of special sub-contractors/consultants to realize tasks efficiently.

II. The benefits derived like product improvement, cost reduction, product development or import substitution: -

- Cross learning's and best practices already implemented are being replicated across all projects to optimize the construction process in terms of cost and time.
- The cost of materials has been optimized through a revision of the procurement strategy while maintaining quality.
- Materials with less embodied energy are being included as alternate materials.

III. Information regarding imported technology (imported during last 3 years) - The Company has not imported any technology during last 3 years.

IV. Expenditure incurred on Research & Development: N.A.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the financial year 2022-23 there was no expenditure in foreign currency. The Company has not earned any foreign exchange during the year.

**By order of the board of Directors
of Prajay Engineers Syndicate Limited**

**Place: Hyderabad
Date :04.09.2023**

**Sd/-
Dantapalli Vijaysen Reddy
Chairman & Managing Director
(DIN: 00291185)**

Annexure- 4

Details pertaining to Employees as required under Section 197(12) of the Companies Act, 2013

Statement of Particulars of Employees Pursuant to provisions of Section 197(12) of the Companies Act 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014

- a) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year: **Not Applicable, as no director is in receipt of any remuneration except sitting fee, during the financial year under review.**
- b) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year: **Not Applicable.**
- c) The number of permanent employees on the rolls of company: 70
- d) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: **Not Applicable, as there is no increase in remuneration of employees, no managerial remuneration was paid.**
- e) Affirmation that the remuneration is as per the remuneration policy of the company: **Not applicable as no managerial remuneration was paid during the financial year under review. However, the sitting fee paid to the non-executive directors is in conformity with the nomination and remuneration policy.**
- f) During the financial year under review, no employee of the company is in receipt of the remuneration as specified Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.
- g) List of top employees during the Financial Year 2022-23:

Name	Age	Qualification	Designation	Date of Commencement of Employment	Experience (Years)	Gross Remuneration
Mr. P Bhaskar Rao	67	B.com, LLB, ICWAI	Chief Financial Officer	January, 2012	30	64500
Mrs. P Purnima	56	B Com	Executive Assistant to CMD	December, 1994	35	65520
Mr. Marwadi Srinivas	50	B.Sc.	Finance Manager	February 2008	28	55500
CS T Siva Kumar	47	CS	Company Secretary and Compliance Officer	October 2019	10	80000

**By order of the board of Directors
of Prajay Engineers Syndicate Limited**

**Place: Hyderabad
Date :04.09.2023**

**Sd/-
Dantapalli Vijaysen Reddy
Chairman & Managing Director
(DIN: 00291185)**

Annexure-5

MANAGEMENT DISCUSSION & ANALYSIS

1. INDUSTRY STRUCTURE AND DEVELOPMENTS:

Over view of the Real Estate Industry

While the Indian economy has not been completely insulated from inflationary forces, timely rate hikes and other interventions by the Central Bank have ensured that inflation has not spiraled out of control and the economy has stayed on the growth path. With the GDP forecasted by the RBI to grow at 7% for FY 2023 and 6.5% for FY 2024, India has emerged as the fastest growing large economy in the world. This undercurrent of economic stability and growth is also reflected in the relatively stable occupier activity seen in the Indian office market.

The real estate sector is one of the most globally recognized sectors comprising housing, retail, hospitality, and commercial. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy.

In India, the real estate sector is the second-highest employment generator, after the agriculture sector. According to the Economic Times Housing Finance Summit, about three houses are built per 1,000 people per year compared with the required construction rate of five houses per 1,000 population. The current shortage of housing in urban areas is estimated to be ~10 million units. An additional 25 million units of affordable housing are required by 2030 to meet the growth in the country's urban population.

Market Size

While the Indian economy has not been completely insulated from inflationary forces, timely rate hikes and other interventions by the Central Bank have ensured that inflation has not spiraled out of control and the economy has stayed on the growth path. With the GDP forecasted by the RBI to grow at 7% for FY 2023 and 6.5% for FY 2024, India has emerged as the fastest growing large economy in the world. This undercurrent of economic stability and growth is also reflected in the relatively stable occupier activity seen in the Indian office market.

The real estate sector in India is expected to reach a market size Rs. 65,000 crore (US\$ 9.30 billion) by 2040. Retail, hospitality and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs. According to Savills India, real estate demand for data centres is expected to increase by 15-18 million sq. ft. by 2025.

FY 2022-23

Indian real estate sector has witnessed high growth in the recent times with rise in demand for office as well as residential space. The Private Equity Investments in India's real estate sector, stood at US\$ 4.2 billion in 2023. Government of India along with the governments of respective States has taken several initiatives to encourage development in the sector. The Smart City Project, with a plan to build 100 smart cities, is a prime opportunity for real estate companies. In the Union Budget 2023-24, the Finance Ministry has announced a commitment of Rs.79,000 crore (US\$ 9.64 billion) for PM Awas Yojana, which represents a 66% increase compared to the last year.

The Securities and Exchange Board of India (SEBI) has given its approval for the Real Estate Investment Trust (REIT) platform, which will allow all kind of investors to invest in the Indian real estate market. It would create an opportunity worth Rs.1.25 trillion (US\$ 19.65 billion) in the Indian market in the coming years. Responding to an increasingly well-informed consumer base and bearing in mind the aspect of globalization, Indian real estate developers have shifted gears and accepted fresh challenges. The most marked change has been the shift from family-owned businesses to that of professionally managed ones. Real estate developers, in meeting the growing need for managing multiple projects across cities, are also investing in centralized processes to source material and organize manpower and hiring qualified professionals in areas like project management, architecture and engineering.

The need to upgrade the family's primary dwelling to apartment complexes which offer more space and amenities has lately been the mainstay for Hyderabad's residential markets. The city has a sound and well-planned network of roads, flyovers, under-passes and wide ring roads, and the government is also investing further in the development of infrastructure projects, such as the Hyderabad Metro Rail and the Outer Ring Road. These projects are expected to make Hyderabad an even more attractive place to live and work in, which will further boost the demand for housing.

Hospitality industry

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. Though COVID19 impact was the severest on this sector, the sector is showing resurgence and it is predicted to grow at an annual rate of 6.9% to USD 490 billion by 2028 (9.9% of GDP), which should result in good demand and high growth for the hospitality industry. Steady improvement in tourist arrivals and bookings suggests a strong outlook for the hospitality sector, which is showing all signs of revival and expected to grow in mid to long run.

2. OPPORTUNITIES, THREATS & CHALLENGES:

A. Opportunities:

Demand for residential properties has surged due to increased urbanization and rising household income, growing economy, regulatory reforms, policy support, rapid urbanizations, relaxation in the FDI norms for real estate sector and consequential growth in investments growth in population, rise in the number of nuclear families, easy availability of finance, repatriation of NRIs and HNIs, rise in disposable income etc., are the advantages/opportunities for real estate sector.

Your company's well accepted brand, customer centric approach, well designed projects in strategic locations makes it a preferred choice and for the customers and favorably benefit the company.

Your company's business development strategy is being aligned towards less capital intensive projects, sharing and development management models. Additionally, your company is trying to focus on sourcing land with large capital requirements in our target geographies under the residential co-investment platform with the company acting as the development manager for these projects. Your company shall continue to improve its project execution capabilities through continuously improving internal processes and internal capability building. Optimizing return on capital and developing crisis and risk management capabilities shall continue to remain the company's focus area.

B. Threats & Challenges:

The real estate sector has been facing a number of issues. Despite the real estate sector contributing the third highest share to the Indian economy, the share in outstanding loans from banks to the sector is extremely low. Regulatory environment, substantial procedural delays with regard to land acquisition, land use, project launches and construction approvals, rising cost of construction, policy changes and regulatory bottlenecks may impact profitability and affect the attractiveness of the sector and companies operating within the sector. Higher rates of statutory fees and other taxes inflate the cost of construction, making affordable housing projects financially unviable for the private sector developers. Shortage of manpower, unsold stock, scarcity of urban land and clear titles are other threats /challenges.

COVID-19 and its impact

The Hospitality Division has been trying to come out of the Covid impact and the recovery is steady though slow. The company's Construction division operations continue to be also severely affected due to various reasons. The Company continues to monitor the same while taking necessary steps to improve operations.

3. SEGMENT WISE-PRODUCT WISE PERFORMANCE:

A detailed status of projects being implemented by the company is given below:

Prajay Water Front city situated at Murharpally Village, Shamirpet:

Spread across 72 acres of premium property overlooking 100-acre lake. Phase I of the project comprising of independent houses, villas and apartments is completed and handed over to the residents. Currently the Phase II of the project comprising of 450 independent houses constructed under the PMAY scheme to promote housing in the affordable segment, is nearing completion.

Prajay Virgin County (SPV project) situated at Baghmankhal Village, Maheshwaram Mandal, R.R. District:

a mixed venture of villas and apartments at Maheshwaram Mandal, near RGIA, spread across 75 acres of land. Phase I of the project comprising of 233 villas is completed and handed over to the residents. Presently the company has taken up the construction of 432 apartments in Phase II of the project.

Phase II of Prajay Virgin County is spread across 35 acres of land with a vision to construct luxury villas. A few minutes' drive from ORR exit no 14 near to Srisailem Highway. Being in close proximity to Rajiv Gandhi International airport, 1200 Ac FAB City & E-City, Hardware park, Tata Teleservices, Tata Advanced Systems, GMR Aerospace, TCS HCL, IT SEZ Adibatla and TCS it is a great location for prospective home buyers working around the area. The project is located minutes away to the Outer Ring Road making it an ideal location for people working in Financial District, Gachibowli etc.

Prajay Megapolis (SPV Project) situated at Hafeezpet Village, Serilingampally Mandal, R.R. District –

Phase I of the project consists of 1113 flats comprising of 9 towers, with 3 basements parking, ground + 18 uppers floors spread across 8 acres of land is fully completed and handed over to the residents along with a clubhouse of nearly 1 Lakh sft. The phase II of the project consists of 2000+ flats spread across 9 acres of land with a combination of 2.5, 3 & 4 BHK. The project is ideally located within 2 Kms from Hitech City which is hub for operations of variations Multi multi-national companies and the IT sector.

Prajay Windsor Park situated at Pocharam, Ghatkesar Mandal, R.R. District–

Prajay Windsor Park is spread over a large well defined land parcel of 11 acres with 834 apartments with 12 Lac sqft the project is primarily focused on sports. with premium clubhouse & huge central park. It is ideally located in close proximity to the emerging IT corridor, close to the 6-Lane Hyderabad-Warangal highway, 1km distance from ORR exit no 9 and the upcoming Metro only 2 kms away.

Windsor park shares the neighbourhood with IT/Software companies like the 450 Ac Infosys SEZ campus, Raheja Mindspace, Capgemini, ADP and Genpact which is surrounded by Institutions AIIMS, NFC, CPRI, NGRI, CCMB and DRDO. Educational institutes like Vidhyanikethan international school, Rotterdam International school, Rockwoods intl school and many Engineering colleges. 70 mins drive from Hyd International airport.

Prajay Princeton Towers situated at L.B. Nagar, Saroornagar Mandal, R.R. District

a multi storied retail/commercial complex situated in the heart of the city L.B. Nagar, well connected to metro & road. The entire building was constructed on a plot area of 7200 sq.yds with 3 basements, ground and 13 upper floors. Retail space from Ground to 5 floors, Office spaces on the 6th floor, followed by hotel rooms and convention centre from the 7th floor up. The Hotel also includes a rooftop restaurant and bar along with a infinity swimming pool on the terrace. Currently the retail space, office space and convention centre are fully completed and in operation. However the interiors for the hotel rooms and restaurant etc. are pending.

4. RISKS AND CONCERNS:

Your company is exposed to a number of risks such as economic, regulatory, taxation and environments risks as well as sectoral investment outlook. Some risks that may arise in the normal course of business that could impact its ability to address the future development comprise credit risk, liquidity risk, counterparty risk, regulator y risk, commodity inflation risk and market risk.

Market Risk: Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity/ real estate risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits.

Credit Risk: Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including refundable joint development deposits, security deposits, loans to employees and other financial instruments.

Liquidity Risk: The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The company aims to understand measure and monitor the various risks to which it is exposed and to ensure that it adheres, as far as reasonably and practically possible, to the policies and procedures established by it to mitigate these risks.

Market price fluctuation: The performance of your Company may be affected by the sales realizations from the its projects. These prices are driven by prevailing market conditions, the nature and location of the projects, and other factors such as brand and reputation and the design of the projects. Your Company d tries to ensure steady cash flow even during adverse pricing scenario.

Industrial cyclicity: The real estate market is inherently a cyclical market and is affected by macro-economic conditions, changes in applicable governmental schemes, changes in supply and demand for projects, availability of consumer financing and liquidity. Your company is attempting to hedge these risks by adopting models comprising joint ventures, residential platforms. However, any further significant down turn in the industry and the overall investment climate may adversely affect the business.

Statutory approvals: This sector is heavily regulated by the central, state and local governments. Real estate developers are required to comply with a number of laws and regulations. Delays in approvals cause delay in project completion timelines, leading to capital blockage and high interest burden to the developers.

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has adequate internal control systems and procedures designed to effectively control its operations. The internal control systems are designed to ensure that the financial and other records are reliable for the preparation of financial statements and for maintaining assets. The Company has well designed Standard Operating Procedures considering the essential components of internal control as stated in the Guidance Note on Audit of Internal Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. Internal Auditor conduct audit covering a wide range of operational matters and ensure compliance with specified standards. Planned periodic reviews are carried out by Internal Audit. The findings of Internal Audit are reviewed by the top management and by the Audit Committee of the Board of Directors. Based on the deliberations with Statutory

Auditors to ascertain their views on the financial statements including the Financial Reporting System and Compliance to Accounting Policies and Procedures, the Audit Committee was satisfied with the adequacy and effectiveness of the Internal Controls and Systems followed by the company.

6. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

Revenue / loss from Operations: The company's revenues fell from 9304.97 Lakhs during the previous year to Rs. 2982.78 Lakhs during the current year

EBIDTA: EBIDTA stood at Rs.70.46 Lakhs during the year as against Rs. 862.03 Lakhs during the previous year with a decrease of Rs. 791.57Lakhs compared to previous financial year.

Profits & ratios:

The company has incurred a loss of Rs.756.98 Lakhs during the financial year as against a loss of Rs.119.69 Lakhs for the corresponding previous year. The basic earnings per share stood at Rs. (1.08) for the current financial year as against Rs.(0.17) for the previous financial year.

Shareholders' funds:

There is no change in the capital structure of the company during the year under review and the net worth of the company stands at a comfortable position of Rs.55928.75 Lakhs.

Loan Funds:

The company continues to get the support from its bankers and financial institutions. The secured loans availed by the company stood at Rs.2995.13 Lakhs at the end of the financial year.

RATIOS:

Debtors Turnover Ratio

Debtors turnover ratio for the financial year 2022-23 has decreased slightly to 0.20 as against 0.54 for the financial 2021-22. There is a decrease in the ratio indicating slowing of collections.

Inventory Turnover Ratio

Inventory turnover ratio for the financial year 2022-23 is 0.07 as against 0.07 for the financial year 2021-22. There is no change in the ratio.

Debt Service Coverage Ratio

Debt Service coverage ratio for the financial year 2022-23 is 0.09 as against 0.19 for the financial year 2021-22. There is a reduction in this ratio. .

Current Ratio

Current ratio for the financial year 2022-23 stood at 1.93 as against 1.08 for the financial year 2021-22. The ratio has improved.

Debt Equity Ratio

Debt equity ratio for the financial year 2022-23 is 0.15 as against 0.46 for the financial year 2021-22.

Net Profit Margin (%)

Net profit margin percentage for the financial year 2022-23 is (25.38) as against (1.29) for the financial year 2021-22. The net profit of the company has decreased.

Return on Networth

Return on Networth for the financial year 2022-23 is (10.82) as against (1.71) for the financial year 2021-22. The overall financial performance of the company is decreased.

7. MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:

Your company believes that the quality of employees is the key to its success and is committed to provide necessary human resource development and training opportunities to equip employees with additional skills to enable them to adapt to contemporary technological advancements.

Industrial relations during the year continued to be cordial and the Prajay group is committed to maintain good industrial relations through effective communication, meetings and negotiations.

8. OUTLOOK:

Post implementation of The Real Estate (Regulation and Development) Act, 2016 (RERA), developers are focusing firmly on selling their existing ready inventory and finishing their near completion projects rather than launching new projects. With several smaller realty developers interested in either monetizing their land parcels on outright basis or entering into joint development or development management agreements, your Company believes that RERA shall result in a consolidation in the sector.

Overall, the Real Estate sector is showing growth as compared to last year. Consequently, the Indian real estate sector will emerge stronger, healthier and capable of long periods of sustained growth, provided adequate policy/regulatory support. their land parcels on outright basis or entering into joint development or development management agreements, your

CAUTIONARY STATEMENT:

The above management discussion and analysis contains certain forward looking statements within the meaning of applicable security laws and regulations. These pertain to the company's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition, economic growth in India, ability to attract and retain highly skilled professionals time cost over runs on contracts, government policies and actions with respect to investments, fiscal deficits, regulations etc.

**By order of the Board of Directors
of Prajay Engineers Syndicate Limited**

**Place: Hyderabad
Date :04.09.2023**

**Sd/-
Dantapalli Vijaysen Reddy
Chairman & Managing Director
(DIN: 00291185)**

Annexure- 6

REPORT ON CORPORATE GOVERNANCE

1. Company Philosophy on Code of Governance

Corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organizations wealth generating capacity. This is ensured by conducting business with a firm commitment to values, while at the same time, meeting stakeholders' expectations.

Your Company's Philosophy on Corporate Governance Overseas business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

The guiding principles and practices are summarized in this report and these are articulated through the Company's Code of Conduct for Board of Directors and senior management, policies and charters of various committees of the board and the company's disclosure policies.

2. Board of Directors

Composition of the Board

As on 31st March, 2023 PESL Board consists of One Executive Director, Two Non-Executive Non-Independent Director and Three Non-Executive Independent Directors including Woman Independent Director. The Chairman of the Board is the Executive Director. As per the declarations received by the Company from each of the Directors, none of them are disqualified under Section 164(2) of the Companies Act, 2013.

The Independent Directors of the Company are in compliance with the provisions of Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board, the Independent Directors fulfills the conditions specified in Listing Regulation and are independent of the management. Further, the disclosures have been made by the Directors regarding their chairmanships/memberships of the mandatory committees of the Board the details are as given below.

Board Meetings

During the financial year under review, **6 (Six)** Board Meetings were held. The dates on which the Board meetings were held are **27.05.2022, 11.08.2022, 05.09.2022, 12.11.2022, 11.02.2023 and 31.03.2023**

Independent Directors Meeting:

The Independent Directors conducted and held a meeting on 11th February, 2023 without the presence of Non-Independent Directors and members of the Management. At this meeting, the IDs inter-alia evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole and also evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

Core Competencies of the Board:

In terms of the requirements of the SEBI (LODR) Regulations, the Board has identified the list of core skills/expertise/competencies as required in the context of the Company's business(es) and sector(s) for it to function effectively. Broadly, the essential skill sets identified by the Board are categorized as under.

Sl. No.	Skills/Expertise/Core Competencies	Names of Directors having such skills/competencies
1	Understanding of Macro environment particularly economic, political and social factors	D Vijaysen Reddy, K Ravi Kumar, D Rohit Reddy, M Raghavender Reddy, L Jaya Simha Reddy, Ms. DwithiyaRaghavan
2	Knowledge of the Industry and experience - Real Estate and Hospitality Sector	D Vijaysen Reddy, K Ravi Kumar, D Rohit Reddy
3	Knowledge of Company's Business - Real Estate and Hospitality Sector	D Vijaysen Reddy, K Ravi Kumar, D Rohit Reddy, M Raghavender Reddy, L Jaya Simha Reddy
4	Strategic inputs on corporate, financial and operating matters	D Vijaysen Reddy, K Ravi Kumar, D Rohit Reddy, M Raghavender Reddy, L Jaya Simha Reddy, Ms. DwithiyaRaghavan
5	Entrepreneurship and capability to adapt to new business environment	D Vijaysen Reddy, K Ravi Kumar, D Rohit Reddy,
6	Developing the strategies, marketing skills	D Vijaysen Reddy, D Rohit Reddy, L Jaya Simha Reddy

7	Project Development and Project Management	D Vijaysen Reddy, K Ravi Kumar, D RohitReddy, M Raghavender Reddy
8	Asset/ Inventory Management	D Vijaysen Reddy, K Ravi Kumar, D Rohit Reddy,
9	Functional Expertise – Financial, Tax, Accounting matters	D Vijaysen Reddy, K Ravi Kumar, D Rohit Reddy, M Raghavender Reddy, Ms. DwithiyaRaghavan
10	Coordinating, leading and controlling the project activities, and implementing production, productivity, quality, and customer-service standards, resolving operational problems, and identifying work process improvements, etc.	D Vijaysen Reddy, K Ravi Kumar, D Rohit Reddy

The details of Board of Directors and their Attendance of Board Meetings, Annual General Meeting and details of other Directorships, Committee Chairmanships/Memberships held by the Directors during the year are as follows:

Name	DIN	Category	No of Board Meetings Entitled During the year	No of Board Meetings attended	No. of directorships held in other Indian public limited companies	#No. of Chairmanships/ Memberships held in committees of other Indian public limited companies	Number of shares/ convertible instruments held	Whether attended the Annual General Meeting held on 30.09.2022
Mr. Dantapally Vijaysen Reddy	00291185	Chairman & Managing Director	6	6	0	0	19705576	Yes
Mr. Dantapalli Rohit Reddy	07560450	Non-executive Director	6	6	0	0	500534	Yes
Mr. Ravi Kumar Kutikalapudi	02789546	Non-executive Director	6	6	0	0	50000	Yes
Mr. Raghavender Reddy Marpadaga	06936544	Non-Executive - Independent Director	6	6	0	0	## Nil	Yes
Mr. Jayasimha Reddy Lingam	08328343	Non-Executive - Independent Director	6	6	0	0	0	Yes
Ms. Dwithiya Raghavan	08985302	Non-Executive - Independent Director	6	6	0	0	0	No

Committee positions mentioned above refers to the Audit Committee and the Stakeholders Relationship Committee in Public Companies.

Mr. M. Raghavender Reddy is jointly holding 234192 (as a second shareholder) equity shares.

No director of the company is holding any chairmanships/ membership(s) in any other public limited companies of India.

As on 31.03.2023, No Director is related to any other Director on the Board except Mr. D. Rohit Reddy and Mr. D. Vijaysen Reddy, who are related to each other.

None of the Independent Directors has any pecuniary relationship, transaction or association with the Company, which adversely affect their independence.

Brief details of the Director(s) Appointed/re-appointed

Brief details of Directors appointed/re-appointed at this Annual General Meeting as per Regulation 36 of SEBI (LODR) Regulations, 2015 (hereinafter referred as "SEBI (LODR) Regulations"), are as under:

I. Name of the Director	Mr. Dantapalli Rohit Reddy	Mr. Raghavender Reddy Marpadaga
Date of Appointment including terms and conditions of appointment	He was Originally appointed on the Board of the Company on 26.10.2017. He was appointed as Director eligible to retire by rotation w.e. f. 25th April, 2019	He was appointed as an Additional Director (Independent Category) in the Board meeting of the Company held on 14th November, 2017 and as Independent Director at 24th AGM of the Company
Date of first appointment on the Board	26.10.2017	14.11.2017
Date of Birth	21.05.1992	24.02.1972
Expertise in Specific Functional areas and Experience	Co-ordinating, leading and controlling the project activities, implementing production, productivity, quality, and customer-service standards, resolving operational problems, and identifying work process improvements.	Having an expertise in Project Management
Educational Qualification	Graduate of Civil Engineering from Pennsylvania State University	Mr. Raghavender Reddy Marpadaga is Graduate of Science and Holds Masters Degree in Project Management
Directorships in other Companies	None	1
Membership/Chairmanships of committees of Other Boards (other than the Company)	None	None
Details of Remuneration sought to be paid and the remuneration last drawn by such person	None	None
Shareholding in the Company as on 31 st March, 2023	500534	Jointly holding 234192 (as a second shareholder) equity shares
Relationship between Directors inter-se/Manager and KMPs	Son of Mr. D Vijaysen Reddy, Chairman and Managing Director and Promoter of the Company	None
Number of Meetings of the Board attended during the year	6	6

Subsidiary Monitoring Mechanism:

The minutes of the Board meetings of the subsidiary companies are placed before the Meeting of the Board of Directors of the Company.

Prajay Holdings Private Limited is a subsidiary of the Company. Pursuant to the explanation given to Regulation 24 of SEBI (LODR) Regulations, the company is not required to appoint Independent Director on the Board of Prajay Holdings Private Limited.

The company has formulated a policy for determining "Material Subsidiaries" and the same has been posted on Company's website @www.prajayengineers.com/investors.

3. COMMITTEES OF THE BOARD:

The Company has in place all the Committees of the Board which are required to be constituted under the Companies Act, 2013 and Listing regulations.

A. AUDIT COMMITTEE:

Audit Committee comprises of 4 (Four) members with Independent Directors forming majority. During the year there are no instances where the Board had not accepted the recommendations of the Audit Committee. In addition to other terms as may be referred by the Board of Directors, the Audit Committee has the power inter-alia, to investigate any activity within its terms of reference and to seek information from any employee of the Company and seek legal and professional advice. The Committee shall review the utilization of loans and/or advances from/investments by the holding company exceeding Rupees 100 crore or 10% asset size of the subsidiary whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision.

During the financial year, Four (4) Audit Committee meetings were held i.e. on 27.05.2022, 11.08.2022, 12.11.2022 and 11.02.2023.

Details of the composition of the Committee and attendance of the members at the meeting:

Name	Designation	Category	No. of Meetings Entitled to Attend	No. of Meetings Attended
Mr. Raghavender Reddy Marpadaga	Chairman	Non-Executive - Independent Director	4	4
Mr. Ravi Kumar Kutikalapudi	Member	Non-Executive - Director	4	4
Mr. L. Jaya Simha Reddy	Member	Non-Executive - Independent Director	4	4
Ms. Dwithiya Raghavan	Member	Non-Executive - Independent Director	4	4

Note: The Managing Director, Company Secretary, CFO, Internal Auditor and the Statutory Auditors were also invited to the Committee Meetings.

B. NOMINATION AND REMUNERATION COMMITTEE

In terms of Section 178 of the Companies Act, 2013 the Board of Directors Constituted Nomination and Remuneration Committee, The Nomination and Remunerations shall oversee the Company's nomination process for the senior management and specifically to identify, screen and review individuals qualified to serve as Executive Directors, Non-Executive Directors and Independent Directors consistent with criteria approved by the Board and to recommend, for approval by the Board, nominees for election at the Annual General Meeting of the shareholders. Nomination and Remuneration Committee is required to recommend to the Board, all remuneration, in whatever form payable to senior management. During the financial year under review meetings of Nomination and Committee were held on 27.05.2022, and 05.09.2022.

Details of the composition of the Committee

Name	Designation	Category	No. of Meetings Entitled to Attend	No. of Meetings Attended
Mr. Raghavender Reddy Marpadaga	Chairman	Non-Executive - Independent Director	2	2
Mr. L. Jaya Simha Reddy	Member	Non-Executive - Independent Director	2	2
Ms. Dwithiya Raghavan	Member	Non-Executive - Independent Director	2	2
**Mr. D. Vijaysen Reddy	Member	Executive Director (Executive Director w.e.f 25.04.2019)	2	2

* Even though Mr. D. Vijaysen Reddy is an Executive Director, being Chairperson of the company he was appointed as member of the Committee w.e.f. 25.04.2019 pursuant to provisions of Regulation 19(2) of SEBI (LODR) Regulations.

Nomination and Remuneration Policy has been framed with below stated objectives as recommended by the Nomination & Remuneration Committee jointly with the Human Resources Department of the Company and adopted by the Board of Directors. The said policy is available under weblink www.praiaengineers.com/investors.

The objective and purpose of the Policy is to lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration, to carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel, to provide them reward linked directly to their effort, performance, dedication and achievement of Organization's goals as entrusted on them and to retain, motivate and promote talent and to ensure long term retention of talented managerial persons and create competitive advantage.

The Nomination and remuneration Committee has laid down the criteria for performance evaluation of the Board Committees and Directors (including Independent Directors) which inter-alia includes the following:

- a. Quality, quantity and timeliness of flow of information to the Board.
- b. Opportunity to discuss matters of critical importance, before decisions are made.
- c. Familiarity with the objects, operations and other functions of the Company.
- d. Level of monitoring of Corporate Governance Regulations and compliance.
- e. Involvement of Board in Strategy evolution and monitoring.
- f. Performance of the Chairperson of the Company including leadership qualities.
- g. Director's contribution for enhancing the governance, regulatory, legal, financial, fiduciary and ethical obligations of the Board.
- h. Director's adherence to high standards of integrity, confidentiality and ethics.
- i. Overall performance and contribution of directors at meeting

Performance evolution criteria and Performance evaluation:

Performance evaluation criteria for Independent Directors is as per the Nomination and Remuneration Policy. Performance evaluation of Independent Directors will be done by the entire Board. However, the performance of Non-Independent Directors, Performance of Chairman and Board as a whole was reviewed by the Independent Directors in their meeting held without the presence Non-Independent Directors and each Director's performance was reviewed by the Board (by excluding the Director being evaluated from the meeting during the time of evaluation) in its meeting held on 11.02.2022.

No remuneration is paid to either to Managing Director or other Executive Directors pursuant to Section 197 of Companies Act, 2013. However, the Non-executive Directors including Independent Directors are receiving remuneration by way of sitting fee as stated above. The Sitting fee paid to the Non-Executive Directors including Independent Director was fixed by the Board and is within the limits as prescribed. Hence, the same was not subject to shareholders' approval in the General Meeting.

There were no pecuniary relationships or transactions of the Non-Executive Director's vis-à-vis the Company, other than payment of Board fees and no investments (if any) in shares / securities of the Company.

CRITERIA OF MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS

Overall remuneration should be reflective of the size of the Company, complexity of the sector/industry/company's operations and the company's capacity to pay the remuneration. Independent Directors ("ID") and Non-Independent Non- Executive Directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of Committees of which they may be members) and commission within regulatory limits. Quantum of sitting fees may be subject to review on a periodic basis, as required.

Within the parameters prescribed by law the payment of sitting fees and commission will be recommended by the NRC and approved by the Board and/or shareholder as may be applicable.

Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company (taking into consideration the challenges faced by the Company and its future growth imperatives).

The details with respect to criteria for making payments to non-executive directors are available on the company's website: www.prajavengineers.com.

C. STAKEHOLDERS RELATIONSHIP COMMITTEE:

Terms of Reference:

The terms of Reference of Stakeholders Relationship Committee inter-alia includes resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc., review of measures taken for effective exercise of voting rights by shareholders; review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

The remit of the Stakeholders Relationship Committee is to consider and resolve the grievances of the security holders of the Company, including complaints relating to transfer and transmission of securities, non-receipt of dividends, and such other grievances as may be raised by the security holders from time to time.

Name	Designation	Category
Mr. Raghavender Reddy Marpadaga	Chairman	Non-executive Independent Director
Mr. D.Rohit Reddy	Member	Non-Executive Director
Mr. L. Jaya Simha Reddy	Member	Non-executive Independent Director
Ms. DwithiyaRaghavan	Member	Non- Executive Director

During the year under review, no complaints were received from the shareholders except the non-receipt of Annual Report. There were no complaints pending as on 31st March, 2022 and there were no such complaints which were not solved to the satisfaction of shareholders.

Particulars	Complaints / grievances/ requests received during the period ended.	Complaints / grievances/ requests received during the period ended.	Disposed off/resolved during the period ended	Closing Balance
First Quarter	0	0	0	0
Second Quarter	0	0	0	0
Third Quarter	0	0	0	0
Fourth Quarter	0	0	0	0

* Complaints/request refers to non-receipt of Annual Reports

Company Secretary and Compliance Officer of the Company acts as Secretary of the Stakeholders Relationship Committee and the company has designated exclusive e-mail Id: investorrelations@prajayengineers.com and pesl.cs@prajayengineers.com for redressal of shareholders complaints / grievances.

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

As per the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2013 the company has constituted a Corporate Social Responsibility Committee and the members of the Committee are as under:

Sl. No.	Name of the Director	Designation	Category
1.	Mr. M. Raghavender Reddy	Chairman	Non-executive Independent Director
2.	Mr. L. Jaya Simha Reddy	Member	Non-executive Independent Director
3.	Mr. D.Rohit Reddy	Member	Non-executive Director
4.	Mr. K Ravi Kumar	Member	Non-executive Director
5.	Ms. Dwithiya Raghavan	Member	Non-executive Independent Director

Although Committee on Corporate Social Responsibility is formed, the company is not required to spend any amounts on any of the activities mentioned in Schedule VII of Companies Act, 2013 or any other activity related to those mentioned in the said Schedule, due to the losses incurred for the past few years.

However, the company is committed to adhere to the provisions of the Companies Act, 2013 and the Rules made there under on Corporate Social Responsibility, once the company starts reporting profits in the coming years.

4. REMUNERATION OF DIRECTORS AND OTHER DETAILS

Name of the Director	Relationship with other director	Business relationship with the company	Remuneration paid during the year 2022-23 (in Rupees)			
			Sitting Fee	Professional fee	Commission	Total
Mr. D. Vijaysen Reddy	D. Vijaysen Reddy and D. Rohit Reddy are related to each other	Promoter - Director	0	0	0	0
Mr. K. Ravi Kumar	None	None	0	12,00,000	0	0
Ms. DwithiyaRaghavan	None	None	80,000	0	0	80,000
Mr. D. Rohit Reddy	D. Vijaysen Reddy and D. Rohit Reddy are related to each other	Related to Mr. D. Vijaysen Reddy	50,000	0	0	50,000
Mr. M. Raghavender Reddy	None	None	80,000	0	0	80,000
Mr. L. Jaya Simha Reddy	None	None	80,000	0	0	80,000

5. OTHER DISCLOSURES:

- a. No related party transaction was entered by the company which is materially significant that may have potential conflict with the interests of the listed entity at large. The disclosure of all related party transactions are set out in notes forming part of the financial statements. The policy framing with Related Party Transactions is posted on the Company' website – www.prajayengineers.com/investors.
- b. We affirm that there is no such noncompliance by the company and/or no penalties, strictures were imposed on the company by the stock exchange(s) or the board or any statutory authority, or any matter related to capital markets during the last three years.
- c. Whistle Blower Policy/Vigil Mechanism
The Company has adopted a whistle blower policy establishing a vigil mechanism to provide a formal mechanism to the directors and employees to report concern about unethical behavior, actual or suspected fraud or violation of code of conduct and ethics.

It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and provides direct access to the chairperson of the audit committee in exceptional cases. The whistle blower policy aims for conducting the affairs in a fair and transparent manner by adopting higher standards of professionalism, honesty, integrity and ethical behavior. All permanent employees of the company are covered under the whistle blower policy.

It is affirmed that no personnel of the company has been denied access to the Audit Committee. The policy of vigil mechanism is available on the company's weblink www.prajayengineers.com/investors.
- d. The Company has complied with the mandatory requirements of Listing Regulations. Further, the Company is also trying to put its best endeavour to comply with non-mandatory requirement(s).
- e. Policy for determining material subsidiaries of the Company is available on the website of the Company www.prajayengineers.com/investors
- f. Policy for dealing with related party transactions is available on the website of the Company www.prajayengineers.com/investors
- g. Commodity price risk or foreign exchange risk and hedging activities: Not Applicable
- h. During the financial year under review company has not raised any funds through financial preferential allotment or qualified institutions placements as specified under Regulation 32 (7 A).
- i. Certificate stating that none of the Directors on the Board of the company have been debarred or disqualified from being appointed or continuing as Directors of the companies by the Board/Ministry of Corporate Affairs or any such statutory authority issued by CS M. Ramana Reddy, P S Rao & Associates Practicing Company Secretaries, Hyderabad is annexed herewith.
- j. During the financial year under review, there is no such instance that the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required.

- k. Details of total fees paid by the company and its subsidiaries on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which statutory auditor is part is as below:

Sl. No.	Payments to the Statutory Auditors	Amount (in Rupees)
1	Audit fees paid for Standalone and Consolidated Financials	1120000
2	Tax Audit and Quarterly Limited Review Reports	312000
3	Reimbursement of out of pocket expenses	-
4	Other fee	-
5.	For service tax/GST	-

- I. During the financial year under review, the Company has not received any complaints on sexual harassment.
- m. The Certificate in terms of Regulation 17(8) read with Part B of Schedule II of the Listing Regulations is annexed to this report.

All the requirements of Corporate Governance report as specified under Sub-paras (2) to (10) of Clause C of Schedule V of SEBI (LODR) Regulations have been complied with.

There has been no instance of non-compliance of any requirement of Corporate Governance Report as prescribed under SEBI (LODR) Regulations.

Adoption of Non-Mandatory Requirements as stipulated in Part E of Schedule II of SEBI (LODR) Regulations.

- a. **Shareholder Rights**
Half yearly financial results are forwarded to the Stock Exchanges, published in newspapers and uploaded on the website of the Company like quarterly results.
- b. **Reporting of Internal Auditor**
Internal Auditor of the Company is a permanent invitee to the Audit Committee Meetings and regularly attends the Meetings for reporting their findings of the Internal Audit to the Audit Committee

6. GENERAL BODY MEETINGS

- a) Details of location, date and time of Annual General Meetings held during the last three years:

Financial Year	Location	Date and Time
2019-20	Prajay Corporate House, 1-10-63& 64, Chikoti Gardens, Begumpet, Hyderabad – 500016	30.12.2020 at 4:00 p.m. held through VC/OAVM
2020-21	Prajay Corporate House, 1-10-63& 64, Chikoti Gardens, Begumpet, Hyderabad – 500016	Convened on 30.09.2021 at 5:00 p.m. and adjourned due to lack of Quorum and held on 07.10.2021 at 3:00 p.m. held through VC/OAVM
2021-22	Prajay Corporate House, 1-10-63& 64, Chikoti Gardens, Begumpet, Hyderabad – 500016	Convened held on 30.09.2022 at 5:00 p.m. held through VC/OAVM

No special resolution(s) were passed) last year through postal ballot /no special resolution is proposed to be conducted through postal ballot.

- b) Details of Special Resolutions passed during the last 3 (Three) Financial Years

Financial Year	Date of passing special Resolution	Resolution No	Purpose of the Resolution	Votes in favour of the resolution		Votes against the resolution	
				Number	Percentage on valid votes polled	Number	Percentage on valid votes polled
2019-20	Nil						
2020-21	Nil						
2021-22	Nil						

- b) In terms of Companies Act, 2013 and SEBI (LODR) Regulations, your company provided e-voting facility to its shareholders to cast their votes electronically at the Annual General Meeting convened on 30.09.2022 and held through VC/OAVM through the Central Depository Services Private Limited (CDSL). The Company had appointed Mr. M. Ramana Reddy, M/s P.S. Rao & Associates Practising Company Secretaries, Hyderabad, as Scrutinizer for conducting e-voting and as well poll at Annual General Meeting. They have submitted combined report to the Chairman after completion of scrutiny and the results were then announced and sent to the Stock Exchanges and displayed on the Company's website.

6. MEANS OF COMMUNICATION

Website	Your Company maintains a website www.prajayengineers.com , wherein there is dedicated section 'Stakeholders'. The website provides the information/ documents required to be placed as per the listing regulations.
The un-audited quarterly results and audited results for the year	Generally published in widely circulated English newspapers namely (Business Standard) and also in widely circulated vernacular newspapers such as Prajasakthi/Nava Telangana) within the prescribed time lines of Listing Regulations. The results are also displayed on the Company's web-site – www.prajayengineers.com .
Stock Exchanges	All periodical information, including the statutory filings and disclosures, are filed with BSE and NSE. The filings required to be made under the Listing Regulations, including Shareholding Pattern and Corporate Governance Report are generally published in widely circulated English newspapers namely (Business Standard) and also in widely circulated vernacular newspapers such as Prajasakthi/Nava Telangana) within the prescribed time lines of Listing Regulations. No news releases and presentation were either made to Institutional Investors or were displayed in the website.

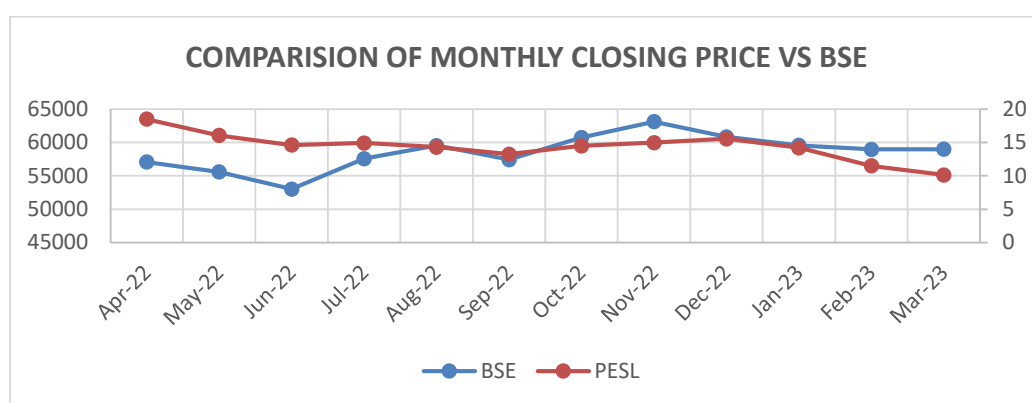
7. GENERAL SHAREHOLDERS INFORMATION

a	Annual General Meeting	29 th Annual General Meeting
b	Date of Annual General Meeting	Wednesday, the 27 th day of September, 2023
c	Venue	1-10-63 & 64, 5th Floor, Prajay Corporate House, Chikoti Gardens, Begumpet, Hyderabad - 500 016, Telangana
d	Time	5.00 P.M.
e	Book Closure	Thursday, 21 September, 2023 to Wednesday, 27 September, 2023 (both days inclusive)
f	Financial Year	2022-23
g	Dividend Payment Date	Not Applicable
h	Calendar for declaration of quarterly financial results	The results of every quarter beginning from April are declared within the prescribed time-limits of Listing Regulations. These results are normally published by the Company in the Leading English News Papers like Business Standard and in one vernacular newspaper Prajasakthi/Nava Telangana within specified time. The Copies of all quarterly results are available on website.
i	Details of Stock Exchanges where in the shares of the Company are listed	BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
j	Stock ID/Code	BSE: 531746 & NSE: PRAENG
k	ISIN	INE505C01016
l	Listing Fee for Financial Year 2022-23	Paid

m. Market price date, high, low during each month in last financial year

Month	NSE			BSE		
	High Price	Low Price	Quantity Traded in Lakhs	High Price	Low Price	Quantity Traded
Apr-22	22.60	16.10	20.70	22.45	16.5	9371904
May-22	19.45	15.6	5.13	19.3	15.6	3143329
Jun-22	16.80	12.85	7.68	16.8	12.5	3474468
Jul-22	16.55	13.2	7.67	16.3	13.7	1752396
Aug-22	15.50	13.30	16.24	15.38	13.4	4443353
Sep-22	16.25	13.00	22.7	15.7	13	5037102
Oct-22	16.45	13.10	41.83	16.9	13.21	4049095
Nov-22	16.50	13.10	48.53	17.9	13.25	5844362
Dec-22	18.85	14.00	56.1	18.85	14.35	16406263
Jan-23	16.85	13.05	18.26	17	13.05	4814315
Feb-23	14.50	11.20	50.11	14.55	11	3310867
Mar-23	12.70	9.90	16.96	12.49	9.8	3786551

n. i. Performance in comparison to broad based indices of BSE Sensex:



ii. Performance in comparison to broad based indices of Nifty:



o. During the financial year the company shares were not under suspension from trading.

p. Registrar and Share Transfer Agents
 Venture Capital and Corporate Investments Private Limited.
 "AURUM", 4th & 5th Floors, Plot No.57, Jayabheri Enclave Phase – II,
 Gachibowli, Hyderabad – 500032
 Phone : +91 040-23818475/35164940
 Website: vccipl.com
 Email: info@vccipl.com

q. Share Transfer System:

Share transfers are processed by the Registrar and Share Transfer and were approved by the Stakeholders Relationship Committee. At present, the share transfers received in physical form are processed and the share certificates are returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

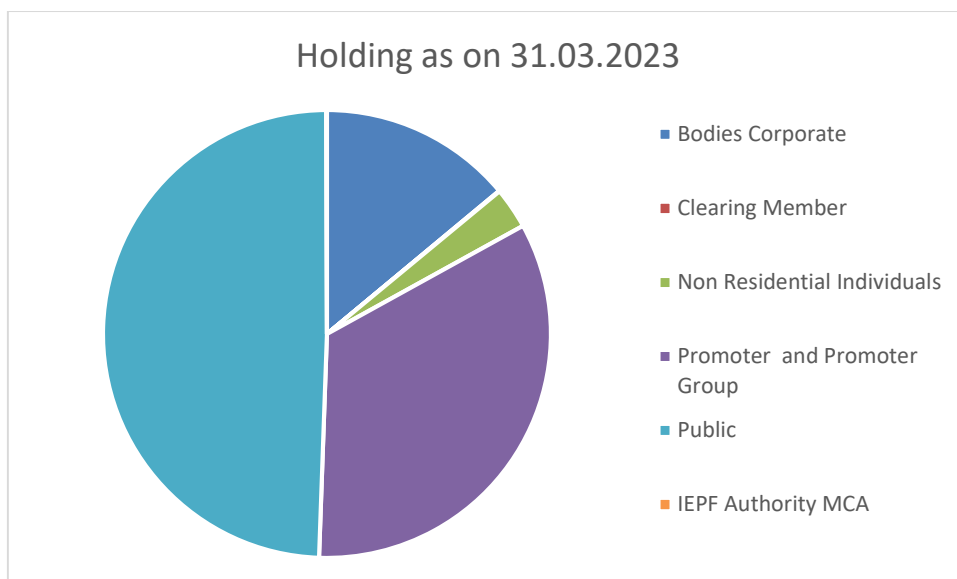
A Certificate on half-yearly basis confirming due compliance of share transfer formalities by the company from Practicing Company Secretary as required under Regulation 40(9) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is obtained from Mr. M. Ramana Reddy, M/s P.S. Rao & Associates Practicing Company Secretaries, Hyderabad and submitted to Stock Exchanges within stipulated time.

r. Distribution of Shareholding as on 31st March, 2023

Sl. No.	Shareholding of Nominal Value (Rs.)	Shareholders		Number of Shares	Share Amount	
		Nos.	%		(Rs.)	%
a.	Up to 5000	18444	95.58%	10269248	102692480	14.68%
b.	5001 - 10000	406	2.10%	3173749	31737490	4.54%
c.	10001 - 20000	231	1.20%	3352809	33528090	4.79%
d.	20001 - 30000	77	0.40%	1923614	19236140	2.75%
e.	30001 - 40000	24	0.12%	841526	8415260	1.20%
f.	40001 - 50000	22	0.11%	997030	9970300	1.43%
g.	50001 -100000	38	0.20%	2876365	28763650	4.11%
h.	100001 & Above	55	0.29%	46501450	465014500	66.49%
	TOTAL	19297	100.00%	69935791	699357910	100.00%

s. Categories of Shareholders as on 31st March, 2023

Category	Holding as on 31-03-2023	% of shareholding
Bodies Corporate	9765765	13.96%
Clearing Member	29067	0.04%
Central/State Government(S)	0	0.00%
Financial Institutions/Banks	0	0.00%
Foreign Bodies Corporate	0	0.00%
Foreign Institutional Investors	0	0.00%
Insurance Companies	0	0.00%
Mutual Funds/UTI	0	0.00%
Non Residential Individuals	2077890	2.97%
Foreign Nation	0	0.00%
Foreign Portfolio Investors - Individual(Fpi)	0	0.00%
Foreign Portfolio Investors - Corporate(Fpi)	0	0.00%
Promoter and Promoter Group	23488552	33.597%
Public	34540414	49.639%
Alternate Investment Funds	0	0.00%
Trust	0	0.00%
IEPF Authority MCA	34103	0.05%
TOTAL	69935791	100.00%



s. Status of Dematerialization of Shares/ Reconciliation of Share Capital Audit

As on 31st March, 2023, except 0.67% shares, all the Equity Shares are held in dematerialized form. The details of the dematerialized shares and physical shares are as below.

articulans/Depository	Number of Shares	Percentage of total listed capital
CDSL	22174895	31.71
NSDL	47294562	67.63
Physical	466334	0.67
Total	69935791	100

As stipulated by SEBI, a qualified Practicing Company Secretary/Firm carries out the reconciliation of share capital to reconcile the total capital held with the National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The said audit is carried out every quarter and the report thereon is submitted to the stock exchanges.

t. Outstanding: GDR/ADR/Warrants/Options/any convertible instruments:

As on 31st March, 2023, the Company has no GDR /ADR/Warrants/ Options/any other convertible instruments.

u. Commodity price risk or foreign exchange risk and hedging activities: **Not Applicable**

v. Location of Center of the company

	Place	<u>Address</u>
1	Hyderabad	1-10-63 & 64, 5th Floor, Prajay Corporate House, Chikoti Gardens, Begumpet, Hyderabad - 500016, Telangana Website: www.prajayengineers.com
	email-Id:	investorrelations@prajayengineers.com ; pesl.cs@prajayengineers.com

Address for Correspondence

Your Company has appointed **M/s Venture Capital And Corporate Investments Private Limited as the Registered Share Transfer Agents (RTA).**

Any query relating to shares and requests for transactions such as transfers, transmissions and nomination facilities, duplicate share certificates, change of address, non-receipt of dividend/Annual Report, as also regarding dematerialization of shares may please be taken up with the Company's Registrar and Transfer Agent.

1	RTA Address	Venture Capital and Corporate Investments Private Limited. "AURUM", 4th & 5th Floors, Plot No.57, Jayabheri Enclave Phase – II, Gachibowli, Hyderabad – 500032 Phone : +91 040-23818475/35164940 Website: vccipl.com Email: info@vccipl.com
2	Registered Address of the Company	1-10-63 & 64, 5th Floor, Prajay Corporate House, Chikoti Gardens, Begumpet, Hyderabad - 500016 , Telangana Website: www.prajayengineers.com Email: investorrelations@prajayengineers.com ; pesl.cs@prajayengineers.com

Company does not have any debt instruments/fixed deposit programme/any scheme or proposal involving mobilization of funds whether in India or abroad. Hence, the company is not required to obtain credit ratings/ any revisions thereto during the relevant financial year.

**By order of the Board of Directors
of Prajay Engineers Syndicate Limited**

**Place : Hyderabad
Date :04.09.2023**

**Sd/-
Dantapalli Vijaysen Reddy
Chairman & Managing Director
(DIN: 00291185)**

BOARD CONFIRMATION

Based on the assessment carried out by the Board of Directors of the Company ("Board") and the Declarations of independence submitted by the Independent Directors, this is to confirm that in the opinion of the Board, the Independent Directors fulfills the conditions specified in these regulations and are independent of executive management of the Company.

**By order of the Board of Directors
of Prajay Engineers Syndicate Limited**

**Place: Hyderabad
Date :04.09.2023**

**Sd/-
Dantapalli Vijaysen Reddy
Chairman & Managing Director
(DIN: 00291185)**

MANAGING DIRECTOR & CFO CERTIFICATION

We, Dantapalli Vijaysen Reddy, Chairman & Managing Director and Bhaskar Rao Patnana, Chief Financial Officer of the Company, to the best of our knowledge and belief, certify that:

- A. We have reviewed the financial statements including cash flow statement (standalone and consolidated) for the financial year ended 31st March, 2023 and to the best of our knowledge and belief :
 - 1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violation of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to address these deficiencies.
- D. We have indicated to the auditors and the Audit Committee:
 - 1. significant changes in the internal control over financial reporting during the year;
 - 2. significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - 3. that there are no instances of significant fraud of which they have become aware of and involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For and on behalf of the board of
Prajay Engineers Syndicate Limited**

**Place : Hyderabad
Date :04.09.2023**

**Sd/-
Dantapalli Vijaysen Reddy
Chairman & Managing Director
DIN: 00291185**

**Sd/-
Bhaskara Rao Patnana
Chief Financial Officer**

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH COMPANY'S CODE OF CONDUCT

I, **Dantapalli Vijaysen Reddy**, Chairman & Managing Director of the company hereby confirm pursuant to Schedule – V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 that: "The Board has laid down a Code of Conduct for all Board members, Senior Management and Independent Directors of the company in line with the provisions of Securities and Exchange board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013. The Code of Conduct has been posted on the website of the Company. All the board of directors and the senior management personnel have confirmed compliance with the code of conduct and ethics for the financial year ended 31st March, 2023."

**By order of the Board of Directors
of Prajay Engineers Syndicate Limited**

**Place : Hyderabad
Date :04.09.2023**

**Sd/-
Dantapalli Vijaysen Reddy
Chairman & Managing Director
(DIN: 00291185)**

CERTIFICATE ON CORPORATE GOVERNANCE

(Pursuant to Schedule V (E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members,
Prajay Engineers Syndicate Limited.
CIN: L45200TG1994PLC017384
1-10-63 & 64, 5th Floor, Prajay Corporate House,
Chikoti Gardens, Begumpet, Hyderabad - 500016,
Telangana

We have examined the compliance of conditions of Corporate Governance by Prajay Engineers Syndicate Limited ('the Company') for the year ended 31st March, 2023 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15 (2) of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned listing regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For P. S. Rao and Associates
Practicing Company Secretaries**

Place: Hyderabad
Date: 04-09-2023
UDIN: F011891E000935682

PR: 710/2020

**Sd/-
M Ramana Reddy
CP No. 18415**

CERTIFICATE

Certificate on Non-Disqualification of Directors

(Pursuant to Schedule V(C)(10)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members of
PRAJAY ENGINEERS SYNDICATE LTD
1-10-63 & 64, 5th Floor,
Prajay Corporate House,
Chikoti Gardens, Begumpet,
Hyderabad - 500016

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Prajay Engineers Syndicate Ltd bearing CIN: L45200TG1994PLC017384 and having registered office situated at 1-10-63 & 64, 5th Floor, Prajay Corporate House, Chikoti Gardens, Begumpet, Hyderabad - 500016 (hereinafter referred to as "the Company"), produced before us by the Company for the purpose of issuing this Certificate, in accordance with the Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the MCA portal) as considered necessary and explanations furnished to us by the Company and the respective Directors, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on 31 March 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Place: Hyderabad
Date: 04-09-2023
UDIN: F011891E000935726

PR: 710/2020

Sd/-
M Ramana Reddy
CP No. 18415

Annexure-7

FORM NO. MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24 A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with SEBI Circular CIR/CFD/CMD1/27/2019, 8th February, 2019]

To
The Members,
PRAJAY ENGINEERS SYNDICATE LIMITED
5th Floor, Prajay Corporate House,
1-10-63 & 64, Chikoti Gardens, Begumpet,
Hyderabad-500016, Telangana.

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained and provided by the Company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31 March 2023 complied with the statutory provisions listed hereunder and also that the Company has Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We herewith report that maintenance of proper and updated Books, Papers, Minute Books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management and of the Company. Our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon

We have examined on test check basis the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31 March 2023, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder.
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the audit period)**
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the audit period)**
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the audit period)**
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period)** and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the audit period)**
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; However, the following observations are made while auditing the records under LODR Regulations 2015:
- a. It is observed that the dissemination of the documents & disclosures are not in time. Further, many disclosures are not updated with the website of the listed entity. Further, it is observed that the disclosures related to subsidiary is not disseminated on the website of the Company
- b. It is also observed that the link of the website is provided in the Corporate Governance Report instead of exact weblink for the relevant document
- c. it is observed that the Archival Policy as prescribed under SEBI (LODR) regulations, 2015 is not in place and not been hosted on website.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read along with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except as stated below:

Compliance Requirement	Deviations	Observations/Remarks
Section 152 of Companies Act 2013 read with Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014	Non-compliance with the filing requirements pertaining to the appointment of the Independent Director (Woman Director).	The company appointed Independent Director (Woman Director) w.e.f. 30.12.2020 with the approval of the shareholders in the 26th Annual General Meeting of the Company (AGM). However, the filing with MCA w.r.t to the aforesaid appointment has not been made.
Section 92 of the Companies Act, 2013 read with rule 11 of the Companies (Management and Administration) Rules, 2014.	Non-compliance with the filing requirements pertaining to Filing of Annual Return	The Company is yet to file Annual return in Form MGT-7 for the Financial Year 2021-22.

I further report that the Company is engaged in the business of Real Estate and Hospitality Services. Accordingly, the following Industry Specific Acts are applicable to the Company, in view of the Management and as per the Guidance Note issued by the ICSI. Based on the explanation given, there are adequate systems and process in the company to monitor and ensure the compliance of following sector specific law, rule, regulation and guidelines:

- Real Estate (Regulation and Development) Act, 2016 and Telangana State Real Estate Regulation and Development Rules 2017, as amended from time to time.

- The Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.
- Inter-State Migrant Workmen (Regulation of Employment & Conditions of Service) Act, 1979.
- Prevention of Food Adulteration Act, 2011
- Food Safety and Standards Act 2006 and Food Safety and Standards Rules 2011

I further report that:

The Board of Directors of the Company is duly constituted. However, During the year under review the composition of the Board reflected on MCA is not in accordance with the applicable law, due to the reasons as stated above. The appointment/re-appointment of Directors took place during the period under review were carried out in compliance with the provisions of the Act.

As per the representation and confirmations provided by the management, adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance or with a shorter notice

As per the representation and confirmations provided by the management, I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines

I further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same been subject to review by the Statutory Auditors and other designated professionals.

I further report that -

- a. An amount of Rs.1,38,617/- Deposit amount which is matured but not claimed by the deposit holders is lying with the Company. The same has been disclosed in the Annual Report and filed DPT-3s with Roc. The said deposits were accepted under the provisions of Companies Act, 1956. The Company has not accepted any deposits or any amount in the form of deposits and not renewed any deposits under the provisions of Companies Act, 2013 and accordingly not issued any circular or a circular in the form of an advertisement to the Public. However, the Company is yet to transfer the said unclaimed amount to Investor Education and Protection fund as per the relevant provisions of the Companies Act, 2013 and the rules made thereunder as the 7 years completed.
- b. A demand notice Dated 8th August, 2019 has been received by the company from M/s Prajay Properties Private Limited (an associate company) under the signature of Ms. Jamila Mohamed Hamed Al Jabri, Investor Nominee Director of M/s Prajay Properties Private Limited (PPPL), stating that in the year 2010, an amount of INR 120.60 crores siphoned from PPPL in the name of Inter Corporate Deposits. However, as per information provided by the company, in furtherance to the mediation proceedings pertaining to the disputes between the Investor Entities (i.e. White Stock Limited & Belclare Limited) and Prajay Entities including Prajay Engineers Syndicate Limited (The Company), The Settlement Agreement has been executed amongst and by the parties, under the auspices of International Arbitration and Mediation Centre, (IAMC) Hyderabad and the filing of the compromise terms before the National Company Law Tribunal (NCLT), Hyderabad has been completed. The cases filed by the Investor Entities before the Hon'ble NCLT Bench, Hyderabad have accordingly been disposed off.

**For P. S. Rao and Associates
Practicing Company Secretaries**

Place: Hyderabad

Date: 04-09-2023

UDIN: F011891E000935814

PR: 710/2020

**Sd/-
M Ramana Reddy
CP No. 18415**

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

Annexure A to Secretarial Audit Report

To

The Members,

PRAJAY ENGINEERS SYNDICATE LIMITED

5th Floor, Prajay Corporate House,

1-10-63 & 64, Chikoti Gardens, Begumpet,

Hyderabad-500016, Telangana.

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on random basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
4. We believe that audit evidence and information provided by the Company's management is adequate and appropriate for us to provide a basis for our opinion.
5. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
6. We have not verified the correctness and appropriateness of financial records and Books and Accounts of the Company.

Disclaimer

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

**For P. S. Rao and Associates
Practicing Company Secretaries**

Place: Hyderabad

Date: 04-09-2023

UDIN: F011891E000935814

PR: 710/2020

**Sd/-
M Ramana Reddy
CP No. 18415**

INDEPENDENT AUDITOR'S REPORT

To the Members of Prajay Engineers Syndicate Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Prajay Engineers Syndicate Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2023, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statement give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, its profit/loss and other comprehensive income, changes in equity and its cash flows for the year ended on the date.

Basis for Opinion

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

Emphasis of Matters

We draw attention to below mentioned Notes to standalone annual financial results :

a. Note 41 relating to the Hon'ble NCLT, Hyderabad bench order referring the matter for resolution by way of mediation to the International Commercial Arbitration and Mediation Centre (IAMC), Hyderabad.

In furtherance to the mediation proceedings pertaining to the disputes between the Investor Entities (i.e. White Stock Limited & Belclare Limited) and Prajay Entities including Prajay Engineers Syndicate Limited (The Company), The Settlement Agreement has been executed amongst and by the parties, under the auspices of International Arbitration and Mediation Centre, (IAMC) Hyderabad and the filing of the compromise terms before the National Company Law Tribunal (NCLT), Hyderabad has been completed. The cases filed by the Investor Entities before the Hon'ble NCLT Bench, Hyderabad Bench have accordingly been disposed off.

b. The Government of Andhra Pradesh (Youth Advancement Tourism & Culture Department, now the Government of Telangana) and the company along with its subsidiary M/s Secunderabad Golf & Leisure Resorts Private Limited, a special purpose company to develop Golf Course, had entered into Lease Agreement and Construction & Management agreement. Subsequently, for the issues that arose between the company and the Tourism Department, the Company invoked the Arbitration clause as per the Agreements and the Hon'ble High Court vide its order dated 28.07.2022 appointed Hon'ble S.M.Rafee (retired District judge) as the Arbitrator in Arbitration Application No.86 of 2022. The Arbitration proceedings are in progress.

c. Note 39(a) of the Standalone Financial Statements, in respect of trade receivable considered good include an amount of Rs.15099.42 Lakhs due from customers which are outstanding for more than six months. We are unable to comment on the realization of these receivables in the absence of conformation from the concerned parties. An

amount of Rs.1246.96 Lakhs is set aside towards provision for trade receivables considered as doubtful. During the year the company has written off bad and doubtful debts to the tune of Rs.1094.77 lakhs

d. Note 39(b) of the standalone financial statements, in respect of Loans & Advances amounting to Rs.5840.53 lakhs towards purchase of Land/Development towards certain project of long term nature, and an amount of Rs.894.87 Lakhs given to suppliers, etc. outstanding. We are unable to comment on the realization of these advances. An amount of Rs.700 Lakhs is set aside towards provision for Advances considered as doubtful.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition (refer note 3.1 to the standalone financial statements)

The key Audit Matter	How the matter was addressed in our audit
<p>Revenue from sale of residential and commercial units represents 65.70% of the total revenue from operations of the company.</p> <p>Revenue recognition – Fixed price development contracts</p> <p>The Company inter alia engages in fixed – price development contracts, where, revenue is recognized using the percentage of completion computed as per the input method based on management’s estimate of contract costs (Refer Note 3.1 to the standalone financial statements).</p> <p>Measurement of revenue recorded over time which is dependent on the estimates of the costs to complete</p> <p>Revenue recognition involves significant estimates related to measurement of costs to complete for the projects. Revenue from projects is recorded based on management’s assessment of the work completed, costs incurred and accrued and the estimate of the balance costs to complete. Due to the inherent nature of the projects and significant judgment involved in the estimate of costs to complete, there is risk of overstatement or understatement of revenue.</p> <p>At Year-end a significant amount of work in progress related to these contracts is recognized on the balance sheet.</p>	<p>Our audit procedures on revenue recognition included the following;</p> <ul style="list-style-type: none"> Evaluating that the company’s revenue recognition accounting policies are in line with the applicable Accounting standards and their application to the key customer contracts including consistent application; Sales cut-off procedures for determination of revenue in the current reporting period. Scrutinizing all the revenue journal entries raised throughout the reporting period and comparing details of a sample of these journals, Which met certain risk-based criteria, with relevant underlying documentation; Conducting site visits during the year for selected projects to understand the scope and nature of the projects and to assess the progress of the projects and Considered the adequacy of the disclosures in note 2 & 3 to the standalone financial statement in respect of the judgment taken in recognizing revenue for residential and hospitality sector. <p>In addition, we have performed the following procedures:</p> <p>Revenue recognition prior to receipt of OC / similar approval and intimation to the customer</p> <ul style="list-style-type: none"> Discussing and challenging key management judgments in interpreting contractual terms including obtaining in- house legal interpretations; Testing sample sales of units for projects with the underlying contracts, completion status and proceeds received from customers;

	<ul style="list-style-type: none"> Identified and tested operating effectiveness of key controls around approvals of contracts, milestone billing, intimation of possession letters / intimation of receipt of occupation certificate and controls over collection from customers; and We have obtained confirmations, on a sample basis, from major customers for selected projects to confirm revenue recognized during the year end, performing alternative procedures by comparing details with contracts , collection details and other underlying project related documentation for cases where confirmations are not received. <p>Measurement of revenue recorded over time which is dependent on the estimates of the costs of complete</p> <p>Compared, on a sample basis, revenue transactions recorded during the year with the underlying contracts, progress reports, invoices raised on customers and collections in bank accounts and whether the related revenue had been recognized in accordance with the Company's revenue recognition policies;</p> <ul style="list-style-type: none"> Identification and testing operating effectiveness of key controls over recording of actual costs incurred for the projects; Review of the costs to complete workings, comparing the costs to complete with the budgeted costs and inquiring into reasons for variance; and Sighting approvals for changes in budgeted costs with the rationale for the changes and assessment of contract costs to determine no revenue nature costs are taken to inventory.
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Inventories (refer note 11 to standalone financial statements)

The key Audit Matter	How the matter was addressed in our audit
<p>Inventories comprising of land, construction work in progress, food & beverages represent 32.58% of the Company's total assets.</p> <p>Assessing net realizable value</p> <p>The Company recognizes profit on each sale by reference to the overall project margin, which is the projected profit percentage for a phase that may comprise multiple units and can last a number of years. The recognition of profit is therefore dependent on the estimate of future selling prices and build costs including an allowance for risk. Further estimation uncertainty and exposure to cyclicity exists within the long term projects.</p> <p>Forecasts of future sales are dependent on market conditions, which can be difficult to predict and be influenced by political and economic factors.</p> <p>Inventory represents the capitalized project costs to date less amounts expensed on sales by reference to the aforementioned projections. It is held at the lower of cost</p>	<p>Our audit procedures to assess the net realizable value (NRV) of inventories included the following:</p> <ul style="list-style-type: none"> Discussion with the management to understand the basis of calculation and justification for the estimated recoverable amounts of the unsold units ("the NRV assessment"); Evaluating the design and implementation of the Company's internal controls over the NRV assessment. Our evaluation included assessing whether the NRV assessment was prepared and updated by appropriate personnel of the Company and whether the key estimates, including estimated future selling prices and costs of completion for all property development projects, used in the NRV assessment, were discussed and challenged by management as appropriate; Evaluating the management's valuation methodology and assessing the key estimates, data inputs and assumptions adopted in the valuations, which included comparing expected future average selling prices with available market data such as

<p>and net realizable value, the latter also being based on the forecast for the project. As such inappropriate assumptions in these forecasts can impact the assessment of the carrying value of inventories.</p> <p>Further, due to their materiality in the context of total assets of the Company this is considered significant to our overall audit strategy and planning.</p>	<p>recently transacted prices for similar properties located in the nearby vicinity of each property development project and the sales budget plans maintained by the Company;</p> <ul style="list-style-type: none"> • Re-performing the calculations of the NRV assessment and comparing the estimated construction costs to complete each development with the Company's updated budgets.
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Land Advances - (refer note 10 to the standalone financial statements)

The key Audit Matter	How the matter was addressed in our audit
<p>Assessment of recoverability of land advances</p> <p>Land advance represents a sizeable portion of the Company's total assets.</p> <p>Land advance represents the amount paid towards procurement of land parcels to be used in the future, for construction of residential projects. These advances are carried at cost less impairment losses, if any. These land advance will be converted into land parcels as per the terms of the underlying contract under which these land advances have been given. To assess the carrying value of land advances, these advances are tested for recoverability by the Company by comparing the valuation of land parcels in the same area for which land advances have been given.</p> <p>Further due to their materiality in the context of total assets of the company this is consider significant to our overall audit.</p>	<p>Our audit procedures to assess the recoverability of land advances included the following;</p> <ul style="list-style-type: none"> • For our samples, verified the underlying agreements in possession of the Company, based on which land advances were given; • Discussion with the management to understand their plan for conversion of these land advances into land parcels; and • For our samples, verified the valuation reports of land stock.

Investment in subsidiaries and loans to group companies (refer to note 8, 9 and 10 to the standalone financial statements)

The key Audit Matter	How the matter was addressed in our audit
<p>The carrying amount of the investments in subsidiaries, held at cost represents 11.34%, to associate, represents 4.91% of the Company's total assets respectively.</p> <p>Recoverability of investment in subsidiary, joint ventures and an associate</p> <p>The Company has investments in subsidiaries, joint ventures and an associate company which are considered to be associated with significant risk in respect of valuation of such investments. These investments are carried at cost less any diminution in value of such investments.</p> <p>In addition, considering the materiality of the investments in subsidiaries, joint ventures and an associate, vis-à-vis the total assets of the Company, this is considered to be significant to our overall audit strategy and planning.</p>	<p>Recoverability of investment in subsidiary, joint ventures and an associate</p> <p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Comparing the carrying amount of investments with the relevant subsidiaries, joint ventures and associate balance sheet to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether those subsidiaries, joint ventures and an associate have historically been profit-making; • For the investments where the carrying amount exceeded the net asset value, comparing the carrying amount of the investment with the projected profitability based on approved business plans of the subsidiaries joint ventures and an associate; • Considering the adequacy of disclosures in respect of the investment in subsidiaries, joint ventures and an associate.

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The key Audit Matter	How the matter was addressed in our audit
<p>Recoverability of loans to subsidiaries and joint ventures</p> <p>The Company has extended loans to joint ventures and subsidiaries that are assessed for recoverability at each period end.</p> <p>Financial assets, which include current loans to joint ventures and subsidiaries aggregated to Rs 1718.86 lakhs at 31 March 2023</p> <p>Due to the nature of the business in the real estate industry, the Company is exposed to heightened risk in respect of the recoverability of the loans and advances granted to the aforementioned related parties.</p> <p>There is also judgment involved as to the recoverability of the working capital and project specific loans, Which rely on a number of property developments being completed over the time period specified in agreements.</p>	<p>Recoverability of loans to subsidiaries and joint ventures</p> <p>Our procedures included:</p> <ul style="list-style-type: none"> • We reviewed the controls in place for issuing new loans and evidenced the Board/MD approval obtained. We obtained management's assessment of the recoverability of the loans, which includes cash flow projections over the duration of the loans. These projections are based on underlying property development appraisals; • We tested cash receipts received in relation to these loans during the year through to bank statement; and <p>We have obtained independent confirmations to ensure completeness and existence of loans and advances held by related parties as on 31 March 2023.</p>

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report there on.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion there on.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statement or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the Preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibility for the audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations, which to the best of our Knowledge and Belief, were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act;
- (e) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164 (2) of the act; and
- (f) With respect to the adequacy of the internal financial controls with reference to the standalone financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

- (i) The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in Its standalone financial statements - Refer Note 34 & 41 to the standalone financial statements;
- (ii) The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023; and
- (iv) a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowing funds or share premium or any other sources or Kind of funds) by the Company to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the company or
 - Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- b) The Management has represented that to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the Understanding, whether recorded in writing or otherwise, that the Company shall:

- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or
 - Provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) (a) and (iv) (b) contain any material mis-statement.
- (v). During the year, the company has not declared any dividend.

(C) With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the act. The Remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For and on behalf of

Karumanchi & Associates

Chartered Accountants

Firm’s Registration Number : 001753S

Sd/-

K.Peddabbai

Partner

M.No : 025036

UDIN No : 23025036BGYMDH5890

Place : Hyderabad

Date : 27.05.2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT – 31 MARCH 2023

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2023, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and investment properties.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment and investment properties by which the property, plant and equipment and investment properties are verified by the management according to a phased programme designed to cover all the items over a period of three years.

In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified certain property, plant and equipment and investment properties during the year and no discrepancies were noticed in respect of assets verified during the year.

- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
 - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.
 - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The company inventory includes construction work in progress accordingly the requirements under paragraph 3(ii) of the Order is not applicable for construction work in progress. The inventory comprising of finished goods has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. No discrepancies were noticed on verification between the physical stocks and the book records.
 - (b) The Company has not been sanctioned working capital limits in excess of Rs. 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets. Accordingly, paragraph 3 (ii)(b) of the Order is not applicable.
- (iii) The Company has granted unsecured loans to companies, limited liability partnerships covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). The Company has not granted any loans, secured or unsecured, to firms or other parties covered in the register required to be maintained under Section 189 of the Act.
 - (a) According to the information and explanations given to us and based on the audit procedure conducted by us, we are of the opinion that the rate of interest and other terms and conditions of unsecured loans granted by the Company to companies and limited liability partnerships covered in the register required to be maintained under Section 189 of the Act are not, prima facie, prejudicial to the interest of the Company.
 - (b) According to the information and explanations given to us and based on the audit procedures conducted by us, the unsecured loans granted to companies and limited liability partnerships and the interest thereon are repayable on demand. The borrowers have been regular in payment of principal and interest as demanded.
 - (c) There are no overdue amounts of more than 90 days in respect of the unsecured loans granted to Companies and limited liability partnerships by the Company.

- (iv) In our opinion, and according to the information and explanations given to us and based on the audit procedures conducted by us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to loans granted, guarantees provided and investments made by the Company. The Company has not provided any security during the year to the parties covered under Section 185 and 186 of the Act. Accordingly, compliance under Section 185 and 186 of the Act in respect of providing securities is not applicable to the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3 (v) of the Order is not applicable of the Company.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148 (1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Goods and Service Tax, Labour Cess, Professional Tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. Amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income Tax have generally been regularly deposited during the year by the Company with the appropriate authorities, though there have been slight delays in a few cases. As explained to us, the Company did not have any dues on account of wealth tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Professional Tax, Property Tax, Labour Cess, Goods and Service Tax, Cess and other material statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax as at 31 March 2023, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Particulars	Amount (Rs.Lakhs)	Period To Which The Amount Relates (FY)	Forum Where the Dispute Is Pending
Income Tax	5196.85	2020-21	High Court,Telangana
Service Tax	1820.62	2006-07 To 2010-11	CESTAT

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year in repayment of loans or borrowings to banks or financial institutions or dues to debenture holders. The Company does not have any loans or borrowings from government during the year.
- (b) According to the information and explanations given to us by the management, the Company has not obtained any term loans . Accordingly, clause3(ix)(c) of the Order is not applicable.
- (c) According to the information and explanations given to us and on an overall examination of the balance

sheet of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.

- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from the entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- (e) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- (x) According to the information and explanation given us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3(x) of the Order is not applicable to the Company.
- (xi)
 - (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations give to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
 - (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) rules, 2014 with the Central Government.
 - (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) Based upon the audit procedures performed and the information and explanations given by the management, during the year the managerial remuneration is not paid or provided.
- (xiii) In our opinion and according to the information and explanations give to us, the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company has entered into Transactions with related parties in compliance with the provisions of Section 177 and 188 of the Act. The details of such related party transactions as been disclosed in the standalone financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- (xv)
 - (a) Based on the information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
 - (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xvi) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the company and hence not commented upon.
- (xvii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.

- (xviii) In Our opinion and according to the information and explanations given to us, the company is not required to be registered under Section 45 – IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.
- (xix) The company has not incurred any cash losses in the financial year and also in the immediately preceding financial year.
- (xx) There is no resignation of statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable.
- (xxi) According to the information and explanations given to us on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any materials uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xxii) here were no unspent amounts towards Corporate Social Responsibility. Accordingly, Paragraph 3(xx)(a) and (b) of the Order is not applicable for the year.

For and on behalf of

Karumanchi & Associates

Chartered Accountants

Firm's Registration Number : 001753S

Sd/-

K.Peddabbai

Partner

M.No : 025036

UDIN No : 23025036BGYMDH5890

Place : Hyderabad

Date : 27.05.2023

Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (I) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

(Referred to in paragraph (A) (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Prajay Engineers Syndicate Limited (“The Company”) as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on the date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”)

Management’s Responsibility by Internal Financial Controls

The Company’s management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to standalone financial statements criteria established by the Company considering the essential components or internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation or reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with respect to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

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

For and on behalf of

Karumanchi & Associates

Chartered Accountants

Firm's Registration Number : 001753S

Sd/-

K.Peddabbai

Partner

M.No : 025036

UDIN No : 23025036BGYMDH5890

Place : Hyderabad

Date : 27.05.2023

Prajay Engineers Syndicate Limited Standalone Balance Sheet as at 31st March , 2023 (All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)			
Particulars	Note	As at 31 March 2023	As at 31 March 2022
Assets			
Non-current assets			
Property, plant and equipment	6	11,811.51	12,208.88
Capital work-in-progress		9,667.28	26,095.68
Intangible assets	7	0.94	0.94
Financial assets			
Investments	8	13,321.16	13,320.74
Loans	9	-	-
Other non-current assets	10	5,761.98	6,019.86
		40,562.87	57,646.10
Current assets			
Inventories	11	26,703.45	27,035.61
Financial assets			
Investments	8	0.11	0.10
Trade receivables	12	13,039.74	16,786.59
Cash and bank balances	13	591.79	255.50
Loans	9	89.40	57.36
Current tax assets, gross		75.25	219.64
Other current assets	10	899.93	1,035.09
		41,399.67	45,389.89
Total assets		81,962.54	1,03,035.99
Equity and Liabilities			
Equity			
Equity share capital	14	6,993.58	6,993.58
Other equity	15	48,935.17	49,740.13
Total equity		55,928.75	56,733.71
Non-current liabilities			
Financial Liabilities			
Borrowings	16	2,995.13	2,626.92
Provision for Gratuity		94.01	94.14
Deferred tax liabilities (net)	17	1,498.72	1,469.95
		4,587.86	4,191.01
Current liabilities			
Financial Liabilities			
Borrowings	16	5,505.20	5,440.77
Trade payables	18	12,390.87	14,397.22
Other financial liabilities	19	41.44	17,763.62
Other current liabilities	20	3,508.42	4,360.56
Liabilities for current tax assets		-	149.10
Total liabilities		21,445.93	42,111.27
Total equity and liabilities		81,962.54	1,03,035.99
Summary of significant accounting policies	1 to 5		
The accompanying notes are an integral part of the standalone financial statements.			
As per our report of even date attached			
for Karumanchi & Associates	for and on behalf of the Board of Directors of Prajay Engineers Syndicate Limited		
Chartered Accountants			
ICAI Firm Registration Number : 001753S			
Sd/-	Sd/-	Sd/-	
K.Peddabbai	D.Vijay Sen Reddy	D.Rohit Reddy	
Partner	Chairman and Managing Director	Director	
Membership No : 025036	DIN : 00291185	DIN : 07560450	
UDIN No : 23025036BGYMDH5890			
	Sd/-	Sd/-	
	P.Bhaskara Rao	T.Siva Kumar	
Place : Hyderabad	Chief Financial Officer	Company Secretary	
Date : 27.05.2023	M.No : CMA 9445	M.No : A37447	

Prajay Engineers Syndicate Limited Statement of Profit and Loss for the year ended 31st March, 2023 (All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)			
Particulars	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from operations	21	2,982.78	9,304.97
Other income	22	1,889.49	214.20
Total income		4,872.27	9,519.17
Expenses			
Cost of Land, Plots and Constructed Properties	23	1,669.04	7,366.84
Direct Cost Hotels & Resorts	23	474.23	394.92
Employee benefits expense	24	325.18	262.09
Depreciation and amortisation expense	25	403.45	407.78
Finance costs	26	395.22	513.98
Other expenses	27	2,333.36	633.29
Total expense		5,600.48	9,578.90
Profit before prior period items		(728.21)	(59.73)
Prior period adjustments		-	-
Profit before Tax		(728.21)	(59.73)
Tax expenses			
Current tax		-	-
Prior Period Tax		-	-
Deferred tax charge		28.77	59.96
Total tax expense		28.77	59.96
Profit for the year		(756.98)	(119.69)
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Net (loss)/ gain on Fair Value Through OCI (FVTOCI) equity securities		0.41	0.20
Re-measurement gains/ (losses) on defined benefit plan		-	-
Income-tax effect		(0.06)	(0.03)
Other comprehensive income for the year, net of tax		0.35	0.17
Total comprehensive income for the year		(756.63)	(119.52)
Earnings per equity share (nominal value of INR 10) in INR			
Basic and Diluted		(1.08)	(0.17)
Summary of significant accounting policies	1 to 5		
The accompanying notes are an integral part of the standalone financial statements.			
As per our report of even date attached			
for Karumanchi & Associates Chartered Accountants ICAI Firm Registration Number : 001753S	for and on behalf of the Board of Directors of Prajay Engineers Syndicate Limited		
Sd/- K.Peddabbai Partner Membership No : 025036 UDIN No : 23025036BGYMDH5890	Sd/- D.Vijay Sen Reddy Chairman and Managing Director DIN : 00291185	Sd/- D.Rohit Reddy Director DIN : 07560450	
Place : Hyderabad Date : 27.05.2023	Sd/- P.Bhaskara Rao Chief Financial Officer M.No : CMA 9445	Sd/- T.Siva Kumar Company Secretary M.No : A37447	

Prajay Engineers Syndicate Limited					
Standalone Statement of Changes in Equity for the year ended 31st March, 2023					
(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)					
a. Equity Share Capital				No. of shares	Amount
Equity shares of INR 10 each issued					
At March 31, 2022				7,02,67,291	7,026.72
At March 31, 2023				7,02,67,291	7,026.72
Equity shares of INR 10 each subscribed and fully paid-up					
At March 31, 2022				6,99,35,791	6,993.58
At March 31, 2023				6,99,35,791	6,993.58
b. Other equity					
Particulars	Reserves and Surplus				Total
	Share Premium	Capital Reserve	General reserve	Retained Earnings	
At March 31, 2021	40,762.16	475.80	1,999.08	6,622.62	49,859.65
Profit for the year				(119.69)	(119.69)
Other comprehensive income					
Net (loss)/ gain on Fair Value Through OCI (FVTOCI) equity securities				0.20	0.20
Income Tax Refund				-	-
Re-measurement gains/ (losses) on defined benefit plans				-	-
Income-tax effect				(0.03)	(0.03)
At March 31, 2022	40,762.16	475.80	1,999.08	6,503.10	49,740.13
Profit for the period				(756.98)	(756.98)
Other comprehensive income					
Net (loss)/ gain on Fair Value Through OCI (FVTOCI) equity securities				0.41	0.41
Income Tax Refund				-	-
Net of Income Tax Provisions of Previous Years				(48.33)	(48.33)
Re-measurement gains/ (losses) on defined benefit plans, net of tax				-	-
Income-tax effect				(0.06)	(0.06)
Balance as of 31 Mar 2023	40,762.16	475.80	1,999.08	5,698.14	48,935.17
Summary of significant accounting policies		1 to 5			
The accompanying notes are an integral part of the standalone financial statements.					
As per our report of even date attached					
for Karumanchi & Associates		for and on behalf of the Board of Directors of Prajay Engineers Syndicate Limited			
Chartered Accountants					
ICAI Firm Registration Number : 001753S					
Sd/-	Sd/-	Sd/-			
K.Peddabbai	D.Vijay Sen Reddy	D.Rohit Reddy			
Partner	Chairman and Managing Director	Director			
Membership No : 025036	DIN : 00291185	DIN : 07560450			
UDIN No : 23025036BGYMDH5890					
	Sd/-	Sd/-			
Place : Hyderabad	P.Bhaskara Rao	T.Siva Kumar			
Date : 27.05.2023	Chief Financial Officer	Company Secretary			
	M.No : CMA 9445	M.No : A37447			

Prajay Engineers Syndicate Limited		
Standalone Statement of Cash Flows for the year ended 31st March, 2023		
(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)		
Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Operating activities		
Profit before tax	(728.21)	(59.73)
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation of tangible assets	403.45	407.77
Amortisation of intangible assets	-	0.01
Finance income (including fair value change in financial instruments)	(5.68)	(2.16)
Finance costs (including fair value change in financial instruments)	394.81	513.78
<i>Working capital adjustments:</i>		
(Increase)/ decrease in trade receivables	3,746.85	757.73
(Increase)/ decrease in inventories	332.16	5,656.14
(Increase)/ decrease in loans	(32.04)	2.66
(Increase)/ decrease in other assets	393.04	76.30
Increase/ (decrease) in trade payables and other financial liabilities	(3,289.23)	(5,305.55)
Increase/ (decrease) in provisions	(51.26)	(0.15)
Increase/ (decrease) in other non financial liabilities	(852.20)	(2,363.87)
	311.69	(317.07)
Income tax paid	(1.92)	39.28
Net cash flows from operating activities	309.77	(277.79)
Investing activities		
Purchase of property, plant and equipment (including capital work in progress)	(16.98)	(504.03)
(Investments in)/ redemption of bank deposits (having original maturity of more than three months) - net	(0.01)	-
Interest received (finance income)	5.68	2.16
Net cash flows used in investing activities	(11.31)	(501.87)
Financing activities		
Proceeds / (repayment) from long term borrowings, net	368.21	304.41
Proceeds / (repayment) from short term borrowings, net	64.43	983.25
Interest paid	(394.81)	(513.78)
Net cash flows from/ (used in) financing activities	37.83	773.88
Net increase / (decrease) in cash and cash equivalents	336.29	(5.78)
Cash and cash equivalents at the beginning of the year (refer note 13)	255.50	261.28
Cash and cash equivalents at the end of the year (refer note 13)	591.79	255.50
Summary of significant accounting policies	1 to 5	
The accompanying notes are an integral part of the standalone financial statements.		
As per our report of even date attached		
for Karumanchi & Associates	for and on behalf of the Board of Directors of Prajay Engineers Syndicate Limited	
Chartered Accountants		
ICAI Firm Registration Number : 001753S		
Sd/-	Sd/-	Sd/-
K.Peddabbai	D.Vijay Sen Reddy	D.Rohit Reddy
Partner	Chairman and Managing Director	Director
Membership No : 025036	DIN : 00291185	DIN : 07560450
UDIN No : 23025036BGYMDH5890		
	Sd/-	Sd/-
Place : Hyderabad	P.Bhaskara Rao	T.Siva Kumar
Date : 27.05.2023	Chief Financial Officer	Company Secretary
	M.No : CMA 9445	M.No : A37447

Prajay Engineers Syndicate Limited

Notes forming part of the Standalone financial statements

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

1. General information

Prajay Engineers Syndicate Limited (the Company) is a public company domiciled & incorporated under the provisions of the Companies Act, 1956 on April 19, 1994. The Company is engaged primarily in the business of real estate construction, development and maintaining hospitality projects. The shares of the Company are listed on two stock exchanges in India i.e. National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

2. Basis of preparation of standalone financial statements

2.1 Statement of compliance

The financial statements for the year ended 31 March 2023 of the Company have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules 2015 as amended from time to time.

2.2 Accounting convention

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the statement of financial position:

- certain financial assets and liabilities are measured at fair value;
- employee defined benefit assets/(liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation;
- long term borrowings are measured at amortized cost using the effective interest rate method.

2.3 Functional currency

The financial statements are presented in Indian rupees, which is the functional currency of our Company. Functional currency of an entity is the currency of the primary economic environment in which the entity operates.

2.4 Operating cycle

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

Assets:

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realized within twelve months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Prajay Engineers Syndicate Limited**Notes forming part of the Standalone financial statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within twelve months after the reporting date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of non-current assets/ liabilities respectively. All other assets/ liabilities are classified as non-current.

3. Significant accounting policies**3.1 Revenue recognition**

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of taxes and applicable trade discounts and allowances.

- (i) Revenue from sale of land / plots is recognized in the financial year in which the agreement to sell is executed, at which time all the following conditions are satisfied:
 - the Company has transferred to the buyer the significant risks and rewards of ownership;
 - the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the land sold;
 - the amount of revenue can be measured reliably;
 - it is probable that the economic benefits associated with the transaction will flow to the Company; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.
- (ii) Revenue from constructed properties (excluding GST) is recognized on the "percentage of completion method". The total sale consideration as per the agreements to sell constructed properties entered is recognized as revenue only when the stage of completion is 20 percent or more when the outcome of the project can be estimated reliably. When it is probable that total costs will exceed the total project revenue the expected loss is recognized immediately. GST does not form part of gross revenue.

Prajay Engineers Syndicate Limited**Notes forming part of the Standalone financial statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

- (iii) Contract revenue from the construction contracts are recognized on “percentage of completion method measured by survey of work performed” depending on the nature of the contract. The revenue on construction contract is recognized only when the stage of completion is 20 percent or more when the outcome of the contract can be estimated reliably. When it is probable that the total cost exceeds the total contract revenue, the expected loss is recognized immediately.
- (iv) Income from sale of Rooms, Food and Beverages and allied services relating to hotel operations is recognized upon rendering of the service. Income stated is exclusive of amount received towards sales tax/ service tax /GST etc.
- (v) In respect of membership (club) sales, revenue is recognized as under:
 - Life membership, Permanent membership and Time-share membership over a period of 15 years,
 - Long-term membership over a period of 3 years.
 - Health club membership fully in the year of receipt.

Dividend and interest income

Dividend income from investments is recognized when the shareholder’s right to receive payment has been established.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.

3.2 Cost of construction

Cost of constructed properties includes cost of land (including land under agreements to purchase), estimated internal development costs, external development charges, constructions costs and development/ construction materials, which is charged to the statement of profit and loss based on the percentage of revenue recognized, in consonance with the concept of matching costs and revenue. Final adjustment is made on completion of the applicable project.

Cost of Construction Contracts includes estimated construction costs and construction material, which is charged to the statement of profit and loss based on percentage of revenue recognized measured by survey of work performed as per accounting policy above, depending on the nature of the contract, in consonance with the concept of matching costs and revenue. Final adjustment is made on completion of the applicable project.

Overhead expenses comprising costs other than those directly charged to the jobs are distributed over the various projects on a pro-rata basis having regard to the activity and nature of such projects.

Prajay Engineers Syndicate Limited**Notes forming part of the Standalone financial statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

3.3 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3.4 Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

3.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.6 Taxation

Income tax expense consists of current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising upon the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and

Prajay Engineers Syndicate Limited**Notes forming part of the Standalone financial statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.7 Earnings per share

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

3.8 Property, plant and equipment*Recognition and measurement*

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within “other (income)/expense, net” in the income statement.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognized in the income statement as incurred.

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up.

Prajay Engineers Syndicate Limited

Notes forming part of the Standalone financial statements

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

Depreciation

Depreciation is recognized in the income statement on a straight-line basis over the estimated useful lives of property, plant and equipment as prescribed in Schedule II to the Companies Act, 2013. Leased assets are depreciated over the shorter of the lease term and their useful lives. The depreciation expense is included in the costs of the functions using the asset. Land is not depreciated.

Software for internal use, which is primarily acquired from third-party vendors and which is an integral part of a tangible asset, is capitalized as part of the related tangible asset. Subsequent costs associated with maintaining such software are recognized as expense as incurred. The capitalized costs are amortized over the estimated useful life of the software or the remaining useful life of the tangible fixed asset, whichever is lower.

3.9 Inventories

Inventories are valued as under:

- Land earmarked for property development is valued at cost. Cost includes land acquisition cost, registration charges and stamp duty.
- Constructed properties includes cost of land, premium for development rights, construction costs and allocated interest and expenses incidental to the projects undertaken by the company.
- Stock of food and beverages are carried at cost and net realizable value, whichever is lower. Cost is determined on the “weighted average” method.

3.10 Impairment of non-financial assets

The carrying amounts of the Company’s non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”).

An impairment loss is recognized in the income statement if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Goodwill that forms part of the carrying amount of an investment in an associate is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

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An impairment loss in respect of equity accounted investee is measured by comparing the recoverable amount of investment with its carrying amount. An impairment loss is recognized in the income statement, and reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

3.11 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 Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

The Company's contributions to defined contribution plans are charged to the income statement as and when the services are received from the employees.

Defined benefit plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used. The current service cost of the defined benefit plan, recognized in the income statement in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Other long-term employee benefits

The Company's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

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(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

3.12 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

3.13 Contingent liabilities & contingent assets

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 in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

3.14 Financial instruments

Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issues of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.

Subsequent measurement

Non-derivative financial instruments

- Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held with a business model whose objective to hold the asset 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.

- Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held with a business model whose objective is achieved by collecting contractual cash flows and selling financial assets 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. Further in cases where the Company had made an irrevocable election based on its

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business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

- Investment in subsidiaries and associates

Investment in subsidiaries and associates are carried at cost in the separate financial statements.

- Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to short maturity of these instruments.

- 4. Fixed Assets:** Freehold land and buildings (properties) were carried in the balance sheet prepared in accordance with Indian GAAP on the basis of carrying cost (cost model) on 31 March 2015. The company has elected to regard those carrying costs of property as deemed cost at the date of transition. Accordingly, the Company has not revalued the property at 1 April 2015.

Investments in associates and subsidiaries: The Company has elected to continue with the carrying value of its investments in subsidiary companies and associate companies as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

5. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

Prajay Engineers Syndicate Limited**Notes forming part of the Standalone financial statements**

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Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2023 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

Investment in equity instruments of subsidiary and associate companies

During the year, the Company assessed the investment in equity instrument of subsidiary and associate companies carried at cost for impairment testing. These companies are expected to generate positive cash flows in the future years. Detailed analysis has been carried out on the future projections and the Company is confident that the investments do not require any impairment.

6 Property, plant and equipment

Particulars	Freehold Land	Buildings	Plant and Machinery	Furniture and fixtures	Computers	Vehicles	Total
Cost							
At March 31, 2021	430.85	12,160.26	2,159.34	109.47	11.73	376.82	15,248.47
Additions			78.00		3.30	124.81	206.11
Adjustments		-				51.28	51.28
At March 31, 2022	430.85	12,160.26	2,237.34	109.47	15.03	450.35	15,403.30
Additions	-	-	4.85	-	0.50	1.84	7.19
Adjustments						22.22	22.22
At March 31, 2023	430.85	12,160.26	2,242.19	109.47	15.53	429.97	15,388.27
Accumulated depreciation							
At March 31, 2021		1,116.77	1,459.07	81.99	9.79	167.74	2,835.36
Charge for the year		199.58	162.01	3.18	0.85	42.16	407.78
Less: Adjustments						48.72	48.72
At March 31, 2022	-	1,316.35	1,621.08	85.17	10.64	161.18	3,194.42
Charge for the year		199.58	159.04	1.69	1.17	41.98	403.46
Less: Adjustments						21.12	21.12
At March 31, 2023	-	1,515.93	1,780.12	86.86	11.81	182.04	3,576.76
Carrying amount							
At March 31, 2021	430.85	11,043.49	700.27	27.48	1.94	209.08	12,413.12
At March 31, 2022	430.85	10,843.91	616.26	24.30	4.39	289.17	12,208.88
At March 31, 2023	430.85	10,644.33	462.07	22.61	3.72	247.93	11,811.51

Note

a) Capitalised borrowing costs

The amount of borrowing costs capitalised during the year ended March 31, 2023 was INR Nil (March 31, 2022 - INR Nil).

b) Charge on Property, plant and equipment

Property, plant and equipment with a carrying amount of INR Nil (March 31, 2022 - INR Nil) lakhs and Vehicles with a carrying amount of INR 141.45 lakhs (March 31, 2022 - INR 237.53 lakhs) are subject to a first charge to secure the Company's bank loans.

7 Intangible assets

Particulars	Computer softwares	Total
Cost		
At March 31, 2021	2.50	2.50
Additions		
At March 31, 2022	2.50	2.50
Additions		
At March 31, 2023	2.50	2.50
Accumulated depreciation		
At March 31, 2021	1.55	1.55
Depreciation expense	0.01	0.01
At March 31, 2022	1.56	1.56
Depreciation expense		
At March 31, 2023	1.56	1.56
Carrying amount		
At March 31, 2021	0.95	0.95
At March 31, 2022	0.94	0.94
At March 31, 2023	0.94	0.94

Prajay Engineers Syndicate Limited**Notes forming part of the Standalone financial statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

6a Ageing for Capital Work -in-Progress

Ageing of Capital Work-in-progress as at March 31st 2023 is as follows:

Particulars	Amount in Capital Work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	10.90	305.53	478.53	8,872.32	9,667.28
Total	10.90	305.53	478.53	8,872.32	9,667.28

Ageing of Capital Work-in-progress as at March 31st 2022 is as follows:

Particulars	Amount in Capital Work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	316.90	478.53	481.85	24,818.40	26,095.68
Total	316.90	478.53	481.85	24,818.40	26,095.68

Prajay Engineers Syndicate Limited**Notes forming part of the Standalone financial statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

8 Investments

Particulars	31 March 2023	31 March 2022
Non-current investments		
Investments carried at cost		
Unquoted equity shares		
<i>Investments in subsidiaries</i>		
5,000 (March 31, 2022: 5,000) equity shares of face value Rs. 1,000 each fully paid up in Prajay Retail Properties Private Limited	1,100.00	1,100.00
999,900 (March 31, 2022: 999,900) equity shares of face value Rs. 10 each fully paid up in Prajay Holdings Private Limited	99.99	99.99
<i>Investments in associates</i>		
64,595 (March 31, 2022: 64,595) equity shares of face value Rs. 10 each fully paid up in Prajay Properties Private Limited	6.46	6.46
10,000 (March 31, 2022: 10,000) equity shares of face value USD 1 each fully paid up in Genesis Capital Private Limited, Mauritius	5.18	5.18
Unquoted preference instruments		
<i>Investment in subsidiary</i>		
64,438,944 (March 31, 2022: 64,438,944) optionally convertible preference shares of face value Rs. 10 each fully paid up in Prajay Holdings Private Limited	6,443.89	6,443.89
<i>Investment in associate</i>		
40,130 (March 31, 2022: 40,130) optionally convertible preference shares of face value Rs. 10,000 each fully paid up in Prajay Properties Private Limited	4,013.00	4,013.00
Investment in the capital of partnership firm		
50% (March 31, 2022: 50%) share in the profits of Prajay Binjusaria Estates	1,650.50	1,650.50
Total investments carried at cost	13,319.02	13,319.02
Investments carried at Fair Value Through Other Comprehensive Income (FVTOCI)		
<i>Quoted equity shares</i>		
9,500 (March 31, 2022: 9,500) equity shares of face value Rs. 10 each, fully paid up in Indian Overseas Bank	2.14	1.72
Total investments carried at fair value through other comprehensive income	2.14	1.72
Investments in term deposit accounts (original maturity more than 12 months)		
Term deposits with Indian Overseas Bank	-	-
Total other investments	-	-
Total investments	13,321.16	13,320.74
Current investments		
Investments in term deposit accounts (original maturity more than 3 months and less than 12 months)		
Term deposits with HDFC Bank	0.11	0.10
Total other investments	0.11	0.10
Category-wise investments		
Investment in equity instruments	1,213.77	1,213.35
Investment in preference shares	10,456.89	10,456.89
Investment in capital of partnership firm	1,650.50	1,650.50
Investment in term deposit accounts with original maturity more than 3 months	0.11	0.10
Other disclosures		
Investment in subsidiaries	7,643.88	7,643.88
Investment in associates	4,024.64	4,024.64
Investment in capital of partnership firm	1,650.50	1,650.50

Prajay Engineers Syndicate Limited**Notes forming part of the Standalone financial statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

9 Loans (Unsecured, considered good unless otherwise stated)

Particulars	31 March 2023	31 March 2022
Non-current		
	-	-
	-	-
Current		
Other loans and advances	89.40	57.36
	89.40	57.36

10 Other assets

Particulars	31 March 2023	31 March 2022
Non-current assets		
<i>Unsecured, considered good</i>		
Advances for Purchase of Land / development (a)	5,128.53	5,378.31
Capital advances	12.00	12.00
<i>Unsecured, considered good</i>		
Security deposits (b)	621.45	629.55
<i>Unsecured, considered good</i>		
Advances for Purchase of Land / development	700.00	700.00
	6,461.98	6,719.86
Less: Provision against advances for Purchase of Land / development	700.00	700.00
	5,761.98	6,019.86
Current assets		
<i>Unsecured, considered good</i>		
Prepaid expenses	5.06	3.63
Advances for material and works	894.87	1,031.46
	899.93	1,035.09

Note: (a) 1. includes advance to Partnership firm in which the company is partner INR 89.96 lakhs (31.03.2022 : INR 89.96 lakhs)

2. includes advance to Private Companies in which any director is director INR 1628.89 lakhs (31.03.2022 : INR 1710.93 lakhs)

Note: (b) includes deposit to Director INR 500.00 lakhs (31.03.2022 : INR 500.00 lakhs)

11 Inventories

Particulars	31 March 2023	31 March 2022
Land at Cost	11,198.56	11,476.80
Land and construction work in progress - at cost	15,472.52	15,551.09
Food and Beverages - at cost	32.37	7.72
	26,703.45	27,035.61

12 Trade receivables

Particulars	31 March 2023	31 March 2022
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	13,852.46	15,128.62
Doubtful	1,246.96	1,246.96
	15,099.42	16,375.58
Provision for doubtful receivables	1,246.96	1,246.96
Bad and doubtful debts written off during the year	1,094.77	
	12,757.69	15,128.62
Other receivables		
Unsecured, considered good	282.05	1,657.97
Total Trade receivables	13,039.74	16,786.59

13 Cash and bank balances

Particulars	31 March 2023	31 March 2022
Balances with banks:		
- On current accounts	585.81	238.73
Cash on hand	5.98	16.77
Cash and cash equivalents	591.79	255.50

Prajay Engineers Syndicate Limited**Notes forming part of the Standalone financial statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

12a Ageing for Trade Receivables as at March 31, 2023 is as follows

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade Receivables-Billed						
Undisputed Trade Receivables - considered good	282.05	94.68	532.37	34.48	14,437.89	15,381.47
Disputed Trade Receivables	-	-	-	-	-	-
	282.05	94.68	532.37	34.48	14,437.89	15,381.47
Less: Allowances for doubtful Trade Receivables	-	-	-	-	1,246.96	1,246.96
Bad and doubtful debts written off during the year					1,094.77	1,094.77
Total	282.05	94.68	532.37	34.48	12,096.16	13,039.74

Ageing for Trade Receivables as at March 31, 2022 is as follows

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade Receivables-Billed						
Undisputed Trade Receivables - considered good	1,657.97	202.99	179.65	165.10	15,827.84	18,033.55
Disputed Trade Receivables	1,657.97	202.99	179.65	165.10	15,827.84	18,033.55
Less: Allowances for doubtful Trade Receivables	-	-	-	-	1,246.96	1,246.96
Total	1,657.97	202.99	179.65	165.10	14,580.88	16,786.59

Prajay Engineers Syndicate Limited					
Notes forming part of the Standalone financial statements					
(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)					
14 Share Capital					
Particulars	31 March 2023		31 March 2022		
Authorised Share Capital					
250,000,000 (March 31, 2022: 250,000,000) equity shares of Rs.10 each	25,000.00		25,000.00		
Issued equity capital					
70,267,291 (March 31, 2022: 70,267,291) equity shares of Rs.10 each	7,026.72		7,026.72		
Subscribed and fully paid-up					
69,935,791 (March 31, 2022: 69,935,791) equity shares of Rs.10/- each fully paid-up	6,993.58		6,993.58		
	6,993.58		6,993.58		
(a) Reconciliation of shares outstanding at the beginning and end of the reporting year					
Particulars	31 March 2023		31 March 2022		
	No. of equity shares	Amount	No. of equity shares	Amount	
Outstanding at the beginning of the year	6,99,35,791	6,993.58	6,99,35,791	6,993.58	
Issued during the year	-	-	-	-	
Outstanding at the end of the year	6,99,35,791	6,993.58	6,99,35,791	6,993.58	
Of the above:					
2,972,787 shares have been allotted pursuant to a contract without payment being received in cash.					
(b) Terms / rights attached to the equity shares					
The Company has one class of equity shares having a par value of Rs.10 each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.					
(c) Details of shareholders holding more than 5% shares in the					
Particulars	31 March 2023		31 March 2022		
	No. of equity shares held	% holding in the class	No. of equity shares held	% holding in the class	
-D.Vijay Sen Reddy	1,97,05,576	28.18	1,97,05,576	28.18	
(d) Disclosure of Share Holding of Promoters & Promoters Group					
Disclosure of shareholding of promoters and promoters group as at March 31, 2023 is as follows:					
Promoter Name	31 March 2023		31 March 2022		% Change during the year
	No. of equity shares held	% holding in the class	No. of equity shares held	% holding in the class	
-D.Vijay Sen Reddy	1,97,05,576	28.18	1,97,05,576	28.18	-
-D.Sharmila Reddy	17,59,981	2.52	17,59,981	2.52	-
-D.Hymavathi Reddy	12,33,125	1.76	12,33,125	1.76	-
-D.Rohit Reddy	5,00,534	0.72	-	-	100.00
-Vijmohan Construction Private Limited	2,89,036	0.41	2,89,036	0.41	-
-Prajay Chit Private Limited	300	-	300	-	-
Total	2,34,88,552	33.59	2,29,88,018	32.87	-
Disclosure of shareholding of promoters and promoters group as at March 31, 2022 is as follows:					
Promoter Name	31 March 2022		31 March 2021		% Change during the year
	No. of equity shares held	% holding in the class	No. of equity shares held	% holding in the class	
-D.Vijay Sen Reddy	1,97,05,576	28.18	1,97,05,576	28.18	-
-D.Sharmila Reddy	17,59,981	2.52	17,59,981	2.52	-
-D.Hymavathi Reddy	12,33,125	1.76	12,33,125	1.76	-
-Vijmohan Construction Private Limited	2,89,036	0.41	2,89,036	0.41	-
-Prajay Chit Private Limited	300	-	300	-	-
Total	2,29,88,018	32.87	2,29,88,018	32.87	-
15 Other equity					
	31 March 2023		31 March 2022		
Capital reserves					
Opening balance	475.80		475.80		
Add: Additions during the year	-		-		
Closing balance	475.80		475.80		
Share premium					
Opening balance	40,762.16		40,762.16		
Add: Premium on fresh issue	-		-		
Closing balance	40,762.16		40,762.16		
General reserve					
Opening balance	1,999.08		1,999.08		
Add: Amount transferred from retained earnings	-		-		
Closing balance	1,999.08		1,999.08		
Retained earnings					
Opening balance	6,503.09		6,622.61		
Profit/(loss) for the year	(756.98)		(119.69)		
Net of Income Tax Provisions of Previous Years	(48.33)		-		
Other comprehensive income	0.35		0.17		
Closing balance	5,698.13		6,503.09		
Total other equity	48,935.17		49,740.13		

Prajay Engineers Syndicate Limited**Notes forming part of the Standalone financial statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

16 Borrowings

Particulars	31 March 2023	31 March 2022
Non-current Borrowings		
Secured loans		
Term loans from Banks		
Equipment / Auto Loans	4.48	3.54
(Secured by hypothecation of vehicles acquired out of the said loan. The loans are repayable in 36 equated monthly instalments		
Loans from related parties - Prajay Properties Private Limited	2,990.65	2,623.38
(ICD from Prajay Properties Private Limited Secured by Mortgage of 49,869 Sft of office premises at Begumpet, land admeasuring Ac 11 Gts 33 in Sy. No.1222 at Shamirpet and land admeasuring 5168 Sq.Yds in Sy.Nos 1211 to1217 and 1226 at Shamirpet village along with the personal guarantee of some the Directors. The loan is repayable on the expiry of 72 months from the date of obtaining all statutory approvals for Prajay Megapolis project, which has not crystallised as on 31-3-2023)		
Total non-current borrowings	2,995.13	2,626.92
Current Borrowings		
Deposits		
Unclaimed public deposits	1.39	1.39
Other deposits	70.00	70.00
Unsecured Loans	248.00	248.00
Unsecured loans from related parties *	5,185.81	5,121.38
Total current Borrowings	5,505.20	5,440.77

Note: * includes from subsidiaries

a) Prajay Retail Properties Pvt.Ltd. INR 905.93 lakhs (31.03.2022: INR 905.98 lakhs)

b) Prajay Holdings Pvt.Lts. INR 2730.58 lakhs (31.03.2022: INR 2526.45 lakhs)

17 Deferred tax liabilities

Particulars	31 March 2023	31 March 2022
Difference in WDV of PPE as per books and WDV as per Income tax Act	1,427.90	1,341.83
Deferred tax for opening Ind AS adjustments	128.11	183.4
Deferred tax for periods Ind AS adjustments	(57.29)	(55.28)
	1,498.72	1,469.95

18 Trade payables

Particulars	31 March 2023	31 March 2022
Total outstanding dues of micro enterprises and small enterprises	-	-
Others	12,390.87	14,397.22
	12,390.87	14,397.22

19 Other financial liabilities

Particulars	31 March 2023	31 March 2022
Current		
Current maturities of non-current borrowings	41.44	1,696.32
Interest accrued and due on borrowings	-	16,067.30
	41.44	17,763.62

20 Other current liabilities

Particulars	31 March 2023	31 March 2022
Advance from Customers	3,508.42	4,360.56
	3,508.42	4,360.56

Prajay Engineers Syndicate Limited**Notes forming part of the Standalone financial statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

18a Ageing for Trade Payables as at March 31, 2023 is as follows

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade Payables					
MSME *					-
Others	1,382.86	358.74	118.45	10,530.82	12,390.87
Disputed Dues-MSME	-	-	-	-	-
Disputed Dues-Others	-	-	-	-	-
Total	1,382.86	358.74	118.45	10,530.82	12,390.87

Ageing for Trade Payables as at March 31, 2022 is as follows

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade Payables					
MSME *					-
Others	1,307.51	210.76	154.82	12,724.13	14,397.22
Disputed Dues-MSME					-
Disputed Dues-Others					-
Total	1,307.51	210.76	154.82	12,724.13	14,397.22

* MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

21 Revenue from operations			
Particulars	31 March 2023	31 March 2022	
Construction division			
(a) Sale of Constructed Properties	640.36		6,491.34
(b) Sale of Land	1,319.37		2,118.83
Hospitality division			
(a) Sale of Rooms	261.42		196.65
(b) Food and Beverages	760.03		497.05
(c) Others	1.60		1.10
	2,982.78		9,304.97
22 Other income			
Particulars	31 March 2023	31 March 2022	
Interest income			
On fixed deposits	-		-
On Income Tax Refunds	2.02		9.49
Others	5.68		2.16
Other operating revenues-Rental Income	167.98		122.92
Income Gained On OTS With Banks.	1,599.67		-
Agricultural Income	-		4.65
Miscellaneous income	114.14		74.98
	1,889.49		214.20
23 Cost of sales			
Particulars	31 March 2023	31 March 2022	
a. Raw material and components consumed and development / construction costs:			
Inventory at the beginning of the year:			
-Land	11,476.80		11,102.73
-Constructed Properties	15,551.09		21,583.53
	27,027.89		32,686.26
Add: Purchases and development / construction costs	1,312.23		1,708.47
Less: inventory at the end of the year :			
-Land	11,198.56		11,476.80
-Constructed Properties	15,472.52		15,551.09
Sub total	26,671.08		27,027.89
Cost of raw material and components consumed and development / construction costs incurred:			
-Development /Construction Costs	1,669.04		7,366.84
	1,669.04		7,366.84
b. Direct Cost of Hotels & Resorts			
Inventory at the beginning of the year	7.72		5.49
Add: Purchases	354.30		273.85
Less: inventory at the end of the year	32.37		7.72
Cost of food & others	329.65		271.62
Other Direct Expenditure	144.58		123.30
	474.23		394.92
24 Employee benefits expense			
Particulars	31 March 2023	31 March 2022	
Salaries, wages and bonus	367.57		289.78
Contribution to provident and other funds	5.50		7.68
Staff welfare expenses	6.35		9.27
	379.42		306.73
Less:Allocated to Projects	54.24		44.64
	325.18		262.09

Prajay Engineers Syndicate Limited**Notes forming part of the Standalone financial statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

25 Depreciation and amortisation expense

Particulars	31 March 2023	31 March 2022
Depreciation of tangible assets	403.45	407.77
Amortization of intangible assets	-	0.01
	403.45	407.78

26 Finance costs

Particulars	31 March 2023	31 March 2022
Interest on long term borrowings	6.38	423.32
Unwinding of interest on liabilities discounted	367.27	322.17
Finance charges payable under finance leases and hire purchase contracts	13.36	28.87
Bank Charges	8.21	5.80
	395.22	780.16
Less:Allocated to Projects	-	266.18
	395.22	513.98

27 Other expenses

Particulars	31 March 2023	31 March 2022
Advertisements	38.59	26.79
Legal and professional (a)	167.31	144.39
Power and fuel	304.08	174.08
Repairs and maintenance		
Buildings	7.27	6.53
Plant and machinery	4.36	7.54
Others	43.99	28.25
Insurance	3.23	6.48
Travel and conveyance	9.16	5.22
Rent (b)	38.40	13.10
Rates and taxes	566.66	163.05
Loss on Sale of asset	0.26	-
Auditors' remuneration	14.32	12.70
Bad and doubtful debts written off during the year	1,094.77	-
Commission	-	12.12
Other general expenses	260.26	138.47
	2,552.66	738.72
Less:Allocated to Projects	219.30	105.43
	2,333.36	633.29

Note: a) includes professional charges paid to directors & thier relatives INR 123.34 lakhs (31.03.2022 : 95.50 lakhs)

b) includes rent paid for Directors INR.36.00 lakhs(31.03.2022 : INR 10.90 lakhs)

Prajay Engineers Syndicate Limited**Notes forming part of the Standalone Financial Statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

28. Related party transactions

A. The following table provides the name of the related party and the nature of its relationship with the Company:

(a)	Name of the Party	Relationship	
	Prajay Holdings Private Limited	Direct Subsidiary	
	Prajay Retail Properties Private Ltd	Direct Subsidiary	
	Secunderabad Golf and Leisure Resorts Private Limited	Direct Subsidiary	
	Prajay Developers Private Limited	Subsidiary of Prajay Holdings Private Limited	
	Prajay Binjusaria Estates	Associate	
	Prajay Properties Private Limited	Associate	
	Genesis Capital Private Limited (Mauritius)	Associate	
(b)	Other Related Parties	Designation	Relatives (Relation)*
	Mr.D.Vijay Sen Reddy	Chairman and Managing Director	Mr.Rohit Reddy (Son) Ms.D.Sarojini Reddy (Daughter) D.Sharmila Reddy (Spouse)
	Mr. K. Ravi Kumar	Non Executive Director	
*Relatives of key management personnel with whom there were transactions during the year			
(c) Other entities under the control of key management personnel and their relatives			
Vijaysena Construction Company		Prajay Chit Funds Private Limited	
Prajay Velocity Developers Private Limited		Prajay Land Capital Private Limited	
Design Experiment		Umbrella Water Proofing	

(d) Terms and conditions of transactions with related parties:

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. For the year ended March 31, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2022 - Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

1: The following transactions were carried out with related parties in the ordinary course of business									Rs.in Lakhs	
	Description	Name of the Related Party	Subsidiaries / Step Down Subsidiaries		Enterprises over which Key Management Personnel is able to exercise significant influence		Key Management Personnel (KMP) and their relatives		Maximum amount of loans/advances outstanding during the year	
			31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	Sale of land, property, material and work done		-	-	-	-		-		
	Remuneration paid			-		-	19.46	16.91		
	Professional Charges Paid						124.34	95.50		
	Rent paid						36.00	10.90		
	Advances Given		189.26	0.06	390.71	370.99	-	-		
	Repayment of Advances Taken		146.22	52.59	455.50	534.38	-	-		
	Repayment of Advances given		-		341.99	870.71				
	Advances Taken		350.30	759.00	253.50	576.03	-	-		
	Balance at the end of the year									
	Debit balances outstanding	Prajay Developers Private Limited	6.84	6.80					6.84	6.80
		Prajay Land Capital Private Limited			0.97	0.93			0.97	0.92
		Secunderabad Golf and Leisure Resorts Private	1,607.44	1,418.22					1,607.44	1,418.22
		Prajay Velocity Developers Private Limited			21.45	292.71			292.71	716.99
		Prajay Binjusaria Estates			89.97	89.97			89.97	89.97
		Prajay Properties Private Limited			319.94	-			319.94	-
		Key Management Personnel					550.00	550.00	550.00	550.00
	Credit balances outstanding	Prajay Properties Private Limited			3200.00	3,200.00				
		Prajay Holdings Private Limited	2730.58	2526.45						
		Prajay Properties Private Limited			0.00	229.16				
		Prajay Financial Services Limited			0.00	-				
		Prajay Retail Properties Private Ltd	905.93	905.98						
		Prajay Kamanwala Developers			0.00	2.50				
		Prajay Lifestyle UPVC Windows Private			1.29	1.29				
		Vijaysena Construction Company			316.11	280.45				
		Umbrella Water Proofing			1.23	7.23				
		Design Experiment			30.55	30.55				
		Key Management Personnel/relatives					1,356.41	1,491.99		

Prajay Engineers Syndicate Limited**Notes forming part of the Standalone Financial Statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

29. Segment information

The senior management of the Company monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Accordingly, the Company has identified following as its reportable segment for the purpose of Ind AS 108:

- a) Real estate segment;
- b) Hotels and resorts segment.

Real Estate segment (RE) is into development, sale, management and operation of all or any part of Town ships, housing projects, also includes leasing of self owned commercial premises.

Hotels and Resorts Segment (HR) is into upkeep and maintenance of Hotels, Restaurants and Resorts. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Also, the Company's financing (including finance costs and finance income) and income taxes are managed on a overall basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The following table's present revenue and profit information for the Company's operating segments for the year ended March 31, 2023 and March 31, 2022 respectively.

Prajay Engineers Syndicate Limited**Notes forming part of the Standalone Financial Statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

30. Gratuity

The Company has a defined benefit gratuity plan (funded). The Company's defined benefit gratuity plan is a final salary plan, which requires contributions to be made to a separately administered fund.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

31. Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity Shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	31 March 2023	31 March 2022
Profit/(Loss) after tax attributable to shareholders in INR Lakhs	(756.63)	(119.52)
Weighted average number of equity shares of INR 10 each outstanding during the period used in calculating basic and diluted EPS	69,935,791	69,935,791
Earnings per Share (Basic & Diluted)	(1.08)	(0.17)

32. As stated in Note 3.1(ii) for recognizing profit on projects, stage of completion is determined as a proportion that project costs incurred for the work performed bear to the estimated total costs. Further, as stated in that note expected loss on projects is recognized when it is probable that the total project costs will exceed the total project revenue. For this purpose total project costs are ascertained on the basis of project costs incurred and costs to completion of projects on progress, which is arrived at by the Management, based on current technical data, forecasts and estimate of net expenditure to be incurred in future including for contingencies etc., which being technical matters have been relied on by auditors. Further, in respect of certain properties where sale agreement has been entered with parties even though money has not been received as per stipulation in the contract, the Company has recognized revenue and debtors as management is confident that it shall be able to realize the sale proceeds.

33. As stated in Note.3.1(iii) the method used to recognize the contract revenue is percentage of completion method measured by survey of work performed. Further, as stated in the note, expected loss on contracts is recognized when it is probable that the total contract cost will exceed the total contract revenue. For this purpose total contract cost is ascertained on the basis of contract cost incurred and cost to completion of contract on progress ,which is arrived at by the management, based on current technical data, forecasts and estimate of net expenditure to be incurred in future including for contingencies etc, which being technical matters have been relied on by auditors.

Prajay Engineers Syndicate Limited**Notes forming part of the Standalone Financial Statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

34. Commitments and contingencies**a. Leases**

Operating lease obligations: The Company has taken equipments and motor vehicles under Equipment /Auto Loan arrangements for which the legal ownership will be transferred to the company at the end of the Loan period as per the agreement. The Company has paid INR 64.31 lakhs (March 31, 2022 –INR 94.46 lakhs) during the year towards minimum lease payments.

Future minimum rentals payable under non-cancellable operating lease are as follows:

Particulars	31 March 2023	31 March 2022
Within one year	41.44	96.65
After one year but not more than five years	4.48	3.54
More than five years	NIL	NIL

b. Commitments

The estimated amount of contracts, net of advances remaining to be executed on capital account is Nil (March 31, 2022 –Nil).

c. Contingent liabilities (to the extent not provided for)

Particulars	2022-23	2021-22
	(Rs. in Lakhs)	(Rs. in Lakhs)

The following disputed liabilities are under appeal :

Service tax*	1820.62	1820.62
Income Tax**	5196.85	841.48
Entry Tax	--	13.18

*The company has disputed the liability and replied to the show cause notice, that the short payment of service tax, if any, demanded by the Service Tax Authorities is not maintainable under law.

Further, as per Circular No.108/02/2009-ST, dated 29.01.2009 issued by CBEC, no service tax is payable on the Construction of Complex Service for the impugned period 2006-07 to 2010-11. During the impugned period, the company had deposited with the Service Tax Authorities, whatever service tax collected from the customers. The Company has filed appeal on 08.04.2013 with CESTAT, Bangalore against order dated 04.01.13 of Commissioner of Service Tax. CESTAT has pronounced stay against recovery during the pendency of appeal.

Prajay Engineers Syndicate Limited**Notes forming part of the Standalone Financial Statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

****The company has disputed the Income Tax liability for the assessment Year 2020-21 with a demand of Income tax for Rs.51,96,85,380/- by mechanical addition of contingent liabilities of Rs.1,48,05,28,000/- and replied to the demand notice. Further the company has filed a writ petition in the High Court of Telangana and the matter has been stayed by the Honourable High Court of Telangana.**

35.Based on the information available with the Company, there are two suppliers who are registered as micro, small or medium enterprises under “The Micro, Small and Medium Enterprises Development Act, 2006” and as at March 31, 2023 the amount due to them by the company is Nil (March 31, 2022 Nil)

36. Value of Import of CIF Basis

Particulars	2022-23	2021-22
	(Rs. in Lakhs)	(Rs. in Lakhs)
Construction related equipment and material	Nil	Nil
—		

37. Expenditure in Foreign Currency

Particulars	2022-23	2021-22
	(Rs. in Lakhs)	(Rs. in Lakhs)
Investments	Nil	Nil
Others	Nil	Nil

38. Auditors’ Remuneration

Particulars	2022-23	2021-22
	(Rs. in Lakhs)	(Rs. in Lakhs)
For services as Auditor	11.20	11.20
For Tax Audit	1.50	1.50
For other Matters	--	--
For reimbursement of out of pocket expenses	0.01	0.01
For service tax/GST	0.54	5.40

Prajay Engineers Syndicate Limited**Notes forming part of the Standalone Financial Statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

39. (a) Trade Receivables (Note 12), unsecured considered good, includes Rs.15,099.42 lakhs (31-03-2022: Rs.16,375.58 lakhs), outstanding for more than six months. As a result of economic slowdown and recession in realty sector, the realizations from customers are slow. The company has provided Rs.1246.96 lakhs towards doubtful debts against Trade receivables, unsecured, considered doubtful. During the year the company has written off bad and doubtful debts to the tune of Rs.1094.77 lakhs (31.03.2022: Nil)
- (b) Non-current assets (Note 10) include advances given to Landlords/ developers towards certain projects amounting to Rs.5,840.53 lakhs (31-03-2022: Rs.6,090.31 lakhs) and Short Term Loans and Advances to suppliers, etc amounting to Rs.894.87 lakhs (31-03-2022: Rs.1031.46 lakhs) are outstanding. An amount of Rs.700 lakhs is set aside towards provision for advances considered as doubtful.
40. Details as required under Schedule III - Part I of the Companies Act, 2013 relating to investment in partnership firm.
- (a) Name of the Partnership Firm - Prajay Binjusaria Estates
- (b) Total Capital of the said Firm is Rs.2055.50 lakhs (31-03-2022 : Rs.2055.50 lakhs)
- (c) Share of each partner in the Profit or Loss

Sl. No.	Name of the Partners	Share (%)
1.	Prajay Engineers Syndicate Limited	50
2.	Binjusaria Developers Private Limited	17
3.	Mr. Arun Kumar Kedia	17
4.	Ms. Seema Kedia	16

41. The Secured Loan (Inter Corporate Deposit) of Rs.3,200.00 Lakhs from Prajay Properties Private Limited is continuing as Interest free by virtue of the agreement Dated 6th October '2009.

Since some of the statutory approvals for Prajay Megapolis project are yet to be obtained, crystallization of loan repayment time schedule has not taken place as on 31.03.23.

In furtherance to the mediation proceedings pertaining to the disputes between the Investor Entities (i.e. White Stock Limited & Belclare Limited) and Prajay Entities including Prajay Engineers Syndicate Limited (The Company), The Settlement Agreement has been executed amongst and by the parties, under the auspices of International Arbitration and Mediation Centre, (IAMC) Hyderabad and the filing of the compromise terms before the National Company Law Tribunal (NCLT), Hyderabad has been completed. The cases filed by the Investor Entities before the Hon'ble NCLT Bench, Hyderabad Bench have accordingly been disposed off.

Prajay Engineers Syndicate Limited

Notes forming part of the Standalone Financial Statements

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

The Government of Andhra Pradesh (Youth Advancement Tourism & Culture Department, now the Government of Telangana) and the company along with its subsidiary M/s Secunderabad Golf & Leisure Resorts Private Limited, a special purpose company to develop Golf Course, had entered into Lease Agreement and Construction & Management agreement. Subsequently, for the issues that arose between the company and the Tourism Department, the Company invoked the Arbitration clause as per the Agreements and the Hon'ble High Court vide its order dated 28.07.2022 appointed Hon'ble S.M.Rafee (retired District judge) as the Arbitrator in Arbitration Application No.86 of 2022. The Arbitration proceedings are in progress.

42. Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include inventory, trade and other receivables, cash and cash equivalents and land advances and refundable deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity/ real estate risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits. The sensitivity analysis in the following sections relate to the position as at March 31, 2023 and March 31, 2022. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt.

The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations; provisions.

The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2023 and March 31, 2022.

i. Interest rate risk

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

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company does not enter into any interest rate swaps.

Prajay Engineers Syndicate Limited**Notes forming part of the Standalone Financial Statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

Interest rate sensitivity

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

Particulars	Increase/decrease in interest rate	Effect on profit before tax(INR Rs.Lakhs)
March 31, 2023		
INR	+1%	(0.42)
INR	-1%	0.42
March 31, 2022		
INR	+1%	(177.67)
INR	-1%	177.67

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including refundable joint development deposits, security deposits, loans to employees and other financial instruments.

Trade receivables

- Receivables resulting from sale of properties: Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Company's credit risk in this respect.
- Receivables resulting from other than sale of properties: Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

The impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company's credit period generally ranges from 30-60 days.

Financial Instrument and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

Prajay Engineers Syndicate Limited**Notes forming part of the Standalone Financial Statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2023 and 2022 is the carrying amounts.

c) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
Year ended March 31, 2023						
Borrowings	1.39	131.72	324.23	8083.14	--	8540.48
Trade payables	67.00	762.87	1366.54	10194.48	--	12390.90
Year ended March 31, 2022						
Borrowings	201.39	144.16	1451.04	24033.43	--	25830.02
Trade payables	67.00	622.09	1360.31	12347.82	--	14397.22

43. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value.

The Board of Directors of the Company seek to maintain a balance between the higher returns that might be possible with higher level of borrowing and advantages by a sound capital position.

The Company monitors capital using a ratio of "Net debt to equity". The Company's net debt to equity ratio is as follows:

Particulars	31 March 2023	31 March 2022
Net debt (Rs.Lakhs)	8541.77	25831.31
Total equity(Rs.Lakhs)	55,928.75	56,733.71
Net debt to equity ratio	0.15	0.46

Prajay Engineers Syndicate Limited**Notes forming part of the Standalone Financial Statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

44. Additional Regulatory Information**Ratios**

Sl.No.	Ratio	Numerator	Denominator	Current Year	Previous Year
1	Current ratio (in times)	Total current assets	total currenct liabilities	1.93	1.08
2	Debt-Equity ratio(in times)	Total Debt including current and non currenct borrowings	Total Equity	0.15	0.46
3	Debt service coverage ratio (in times)	Earnings for Debt Service=Net Profit after taxes +Non-cash Operating Expenses +Interest	Debt Service=Interest and Principal repayments	0.09	0.19
4	Return on equity ratio(in %)	Profit for the year	Average total Equity	-10.82%	-1.71%
5	Inventory turnover ratio (in times)	Cost of Materials consumed + changes in inventories	Average Inventories	0.07	0.07
6	Trade receivables turnover ratio(in times)	Revenue from Operations	Average trade receivables	0.20	0.54
7	Trade payables turnover ratio(in times)	Direct cost + Other Expenses	Average trade payables	0.33	0.55
8	Net capital turnover ratio(in times)	Revenue from Operations	Average Working Capital	0.26	2.84
9	Net profit ratio (in %)	Profit for the year	Revenue from Operations	-25.38%	-1.29%
10	Return on capital employed(in %)	Profit before tax and finance cost	Capital employed=Net worth+borrowings+Deferred tax liabilities	-0.48%	0.54%

45. Prior year comparatives

The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the current year's classification.

As per our report of even date
attached

For **Karumanchi & Associates**
Chartered Accountants
ICAI Firm Regn No : 001753S

For and on behalf of the Board of Directors of Prajay Engineers Syndicate Limited.

K.Peddabbai
Partner
Membership No : 025036
UDIN No :
23025036BGYMDH5890

Sd/-
D. Vijay Sen Reddy
Chairman and Managing Director
DIN: 00291185

Sd/-
D. Rohit Reddy
Director
DIN: 07560450

Place : Hyderabad
Date : 27.05.2023

Sd/-
P. Bhaskara Rao
Chief Financial Officer
M.No : CMA 9445

Sd/-
T.Siva Kumar
Company Secretary
M.No : A37447

Prajay Engineers Syndicate Limited**Notes forming part of the Standalone Financial Statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

29. Segment information

The senior management of the Company monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Accordingly, the Company has identified following as its reportable segment for the purpose of Ind AS 108:

- a) Real estate segment;
- b) Hotels and resorts segment.

Real Estate segment (RE) is into development, sale, management and operation of all or any part of Town ships, housing projects, also includes leasing of self owned commercial premises.

Hotels and Resorts Segment (HR) is into upkeep and maintenance of Hotels, Restaurants and Resorts. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Also, the Company's financing (including finance costs and finance income) and income taxes are managed on a overall basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The following table's present revenue and profit information for the Company's operating segments for the year ended March 31, 2023 and March 31, 2022 respectively.

29	Segment Reporting									
	The following table's present revenue and profit information for the Company's operating segments for the year ended March 31, 2023 and March 31, 2022 respectively.									
									Rs.Lakhs	
	Business Segment	2022 - 2023				2021 - 2022				
		Construction & Development of Property	Hospitality Hotels & Resorts	Unallocated	Total	Construction & Development of Property	Hospitality Hotels & Resorts	Unallocated	Total	
	Segment Revenue									
	External	1,959.73	1,023.05	1,889.49	4,872.27	8,610.17	694.80	214.20	9,519.17	
	Total Revenue	1,959.73	1,023.05	1,889.49	4,872.27	8,610.17	694.80	214.20	9,519.17	
	Segment Result	(2,142.52)	26.45		(2,116.07)	479.21	(122.60)		356.61	
	Unallocated Corporate expenses net of unallocated income				(1,777.40)				(95.48)	
	Operating Profit				(338.67)				452.09	
	Interest Expense				395.22				513.98	
	Prior Period Adjustments				-				-	
	Interest Income				5.68				2.16	
	Dividend Income				-				-	
	Profit before Taxation				(728.21)				(59.73)	
	Income Tax				-				-	
	Prior period Tax				-				-	
	Deferred Tax				28.77				59.96	
	Net Profit				(756.98)				(119.69)	
	Other Comprehensive Income				0.35				0.17	
	Net of Tax									
	Total Comprehensive Income				(756.63)				(119.52)	
	Other Information	Construction & Development of Property	Hospitality Hotels & Resorts	Unallocated	Total	Construction & Development of Property	Hospitality Hotels & Resorts	Unallocated	Total	
	Segment Assets	56,849.29	11,716.73	13,396.52	81,962.54	61,438.42	28,057.08	13,540.49	1,03,035.99	
	Total Assets	56,849.29	11,716.73	13,396.52	81,962.54	61,438.42	28,057.08	13,540.49	1,03,035.99	
	Segment Liabilities	15,382.30	558.46	1,498.72	17,439.47	35,918.78	602.66	1,619.05	38,140.49	
	Total Liabilities	15,382.30	558.46	1,498.72	17,439.47	35,918.78	602.66	1,619.05	38,140.49	
	Capital Expenditure	5.02	2.17	-	7.19	177.19	28.92	-	206.11	
	Depreciation	354.56	48.89		403.45	359.10	48.69		407.78	
	Non Cash expense other than depreciation	-			-	-			-	
	Notes:									
	1 Segments have been identified in accordance with Ind AS 108 on Segment Reporting , concerning the returns/risk profiles of the business									
	The company has identified business segments as mentioned below as primary segments for disclosure.									
	(a) Construction and Development of Property.									
	(b) Hospitality - Hotels & Resorts.									
	2 As the operations of the company are only in India, there is no reportable geographical segment									
	3 Unallocated corporate expenditure includes common service expenses.									

Prajay Engineers Syndicate Limited**Notes forming part of the Standalone Financial Statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

30. Gratuity

The Company has a defined benefit gratuity plan (funded). The Company's defined benefit gratuity plan is a final salary plan, which requires contributions to be made to a separately administered fund.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

31. Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity Shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	31 March 2023	31 March 2022
Profit/(Loss) after tax attributable to shareholders in INR Lakhs	(756.63)	(119.52)
Weighted average number of equity shares of INR 10 each outstanding during the period used in calculating basic and diluted EPS	69,935,791	69,935,791
Earnings per Share (Basic & Diluted)	(1.08)	(0.17)

32. As stated in Note 3.1(ii) for recognizing profit on projects, stage of completion is determined as a proportion that project costs incurred for the work performed bear to the estimated total costs. Further, as stated in that note expected loss on projects is recognized when it is probable that the total project costs will exceed the total project revenue. For this purpose total project costs are ascertained on the basis of project costs incurred and costs to completion of projects on progress, which is arrived at by the Management, based on current technical data, forecasts and estimate of net expenditure to be incurred in future including for contingencies etc., which being technical matters have been relied on by auditors. Further, in respect of certain properties where sale agreement has been entered with parties even though money has not been received as per stipulation in the contract, the Company has recognized revenue and debtors as management is confident that it shall be able to realize the sale proceeds.

33. As stated in Note.3.1(iii) the method used to recognize the contract revenue is percentage of completion method measured by survey of work performed. Further, as stated in the note, expected loss on contracts is recognized when it is probable that the total contract cost will exceed the total contract revenue. For this purpose total contract cost is ascertained on the basis of contract cost incurred and cost to completion of contract on progress ,which is arrived at by the management, based on current technical data, forecasts and estimate of net expenditure to be incurred in future including for contingencies etc, which being technical matters have been relied on by auditors.

Prajay Engineers Syndicate Limited**Notes forming part of the Standalone Financial Statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

34. Commitments and contingencies**a. Leases**

Operating lease obligations: The Company has taken equipments and motor vehicles under Equipment /Auto Loan arrangements for which the legal ownership will be transferred to the company at the end of the Loan period as per the agreement. The Company has paid INR 64.31 lakhs (March 31, 2022 –INR 94.46 lakhs) during the year towards minimum lease payments.

Future minimum rentals payable under non-cancellable operating lease are as follows:

Particulars	31 March 2023	31 March 2022
Within one year	41.44	96.65
After one year but not more than five years	4.48	3.54
More than five years	NIL	NIL

b. Commitments

The estimated amount of contracts, net of advances remaining to be executed on capital account is Nil (March 31, 2022 –Nil).

c. Contingent liabilities (to the extent not provided for)

Particulars	2022-23	2021-22
	(Rs. in Lakhs)	(Rs. in Lakhs)

The following disputed liabilities are under appeal :

Service tax*	1820.62	1820.62
Income Tax**	5196.85	841.48
Entry Tax	--	13.18

*The company has disputed the liability and replied to the show cause notice, that the short payment of service tax, if any, demanded by the Service Tax Authorities is not maintainable under law.

Further, as per Circular No.108/02/2009-ST, dated 29.01.2009 issued by CBEC, no service tax is payable on the Construction of Complex Service for the impugned period 2006-07 to 2010-11. During the impugned period, the company had deposited with the Service Tax Authorities, whatever service tax collected from the customers. The Company has filed appeal on 08.04.2013 with CESTAT, Bangalore against order dated 04.01.13 of Commissioner of Service Tax. CESTAT has pronounced stay against recovery during the pendency of appeal.

Prajay Engineers Syndicate Limited**Notes forming part of the Standalone Financial Statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

****The company has disputed the Income Tax liability for the assessment Year 2020-21 with a demand of Income tax for Rs.51,96,85,380/- by mechanical addition of contingent liabilities of Rs.1,48,05,28,000/- and replied to the demand notice. Further the company has filed a writ petition in the High Court of Telangana and the matter has been stayed by the Honourable High Court of Telangana.**

35.Based on the information available with the Company, there are two suppliers who are registered as micro, small or medium enterprises under “The Micro, Small and Medium Enterprises Development Act, 2006” and as at March 31, 2023 the amount due to them by the company is Nil (March 31, 2022 Nil)

36. Value of Import of CIF Basis

Particulars	2022-23	2021-22
	(Rs. in Lakhs)	(Rs. in Lakhs)
Construction related equipment and material	Nil	Nil
—		

37. Expenditure in Foreign Currency

Particulars	2022-23	2021-22
	(Rs. in Lakhs)	(Rs. in Lakhs)
Investments	Nil	Nil
Others	Nil	Nil

38. Auditors’ Remuneration

Particulars	2022-23	2021-22
	(Rs. in Lakhs)	(Rs. in Lakhs)
For services as Auditor	11.20	11.20
For Tax Audit	1.50	1.50
For other Matters	--	--
For reimbursement of out of pocket expenses	0.01	0.01
For service tax/GST	0.54	5.40

Prajay Engineers Syndicate Limited**Notes forming part of the Standalone Financial Statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

39. (a) Trade Receivables (Note 12), unsecured considered good, includes Rs.15,099.42 lakhs (31-03-2022: Rs.16,375.58 lakhs), outstanding for more than six months. As a result of economic slowdown and recession in realty sector, the realizations from customers are slow. The company has provided Rs.1246.96 lakhs towards doubtful debts against Trade receivables, unsecured, considered doubtful. During the year the company has written off bad and doubtful debts to the tune of Rs.1094.77 lakhs (31.03.2022: Nil)
- (b) Non-current assets (Note 10) include advances given to Landlords/ developers towards certain projects amounting to Rs.5,840.53 lakhs (31-03-2022: Rs.6,090.31 lakhs) and Short Term Loans and Advances to suppliers, etc amounting to Rs.894.87 lakhs (31-03-2022: Rs.1031.46 lakhs) are outstanding. An amount of Rs.700 lakhs is set aside towards provision for advances considered as doubtful.
40. Details as required under Schedule III - Part I of the Companies Act, 2013 relating to investment in partnership firm.
- (a) Name of the Partnership Firm - Prajay Binjusaria Estates
- (b) Total Capital of the said Firm is Rs.2055.50 lakhs (31-03-2022 : Rs.2055.50 lakhs)
- (c) Share of each partner in the Profit or Loss

Sl. No.	Name of the Partners	Share (%)
1.	Prajay Engineers Syndicate Limited	50
2.	Binjusaria Developers Private Limited	17
3.	Mr. Arun Kumar Kedia	17
4.	Ms. Seema Kedia	16

41. The Secured Loan (Inter Corporate Deposit) of Rs.3,200.00 Lakhs from Prajay Properties Private Limited is continuing as Interest free by virtue of the agreement Dated 6th October '2009.

Since some of the statutory approvals for Prajay Megapolis project are yet to be obtained, crystallization of loan repayment time schedule has not taken place as on 31.03.23.

In furtherance to the mediation proceedings pertaining to the disputes between the Investor Entities (i.e. White Stock Limited & Belclare Limited) and Prajay Entities including Prajay Engineers Syndicate Limited (The Company), The Settlement Agreement has been executed amongst and by the parties, under the auspices of International Arbitration and Mediation Centre, (IAMC) Hyderabad and the filing of the compromise terms before the National Company Law Tribunal (NCLT), Hyderabad has been completed. The cases filed by the Investor Entities before the Hon'ble NCLT Bench, Hyderabad Bench have accordingly been disposed off.

Prajay Engineers Syndicate Limited

Notes forming part of the Standalone Financial Statements

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

The Government of Andhra Pradesh (Youth Advancement Tourism & Culture Department, now the Government of Telangana) and the company along with its subsidiary M/s Secunderabad Golf & Leisure Resorts Private Limited, a special purpose company to develop Golf Course, had entered into Lease Agreement and Construction & Management agreement. Subsequently, for the issues that arose between the company and the Tourism Department, the Company invoked the Arbitration clause as per the Agreements and the Hon'ble High Court vide its order dated 28.07.2022 appointed Hon'ble S.M.Rafee (retired District judge) as the Arbitrator in Arbitration Application No.86 of 2022. The Arbitration proceedings are in progress.

42. Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include inventory, trade and other receivables, cash and cash equivalents and land advances and refundable deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity/ real estate risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits. The sensitivity analysis in the following sections relate to the position as at March 31, 2023 and March 31, 2022. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt.

The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations; provisions.

The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2023 and March 31, 2022.

i. Interest rate risk

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

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company does not enter into any interest rate swaps.

Prajay Engineers Syndicate Limited**Notes forming part of the Standalone Financial Statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

Interest rate sensitivity

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

Particulars	Increase/decrease in interest rate	Effect on profit before tax(INR Rs.Lakhs)
March 31, 2023		
INR	+1%	(0.42)
INR	-1%	0.42
March 31, 2022		
INR	+1%	(177.67)
INR	-1%	177.67

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including refundable joint development deposits, security deposits, loans to employees and other financial instruments.

Trade receivables

- Receivables resulting from sale of properties: Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Company's credit risk in this respect.
- Receivables resulting from other than sale of properties: Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

The impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company's credit period generally ranges from 30-60 days.

Financial Instrument and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

Prajay Engineers Syndicate Limited**Notes forming part of the Standalone Financial Statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2023 and 2022 is the carrying amounts.

c) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
Year ended March 31, 2023						
Borrowings	1.39	131.72	324.23	8083.14	--	8540.48
Trade payables	67.00	762.87	1366.54	10194.48	--	12390.90
Year ended March 31, 2022						
Borrowings	201.39	144.16	1451.04	24033.43	--	25830.02
Trade payables	67.00	622.09	1360.31	12347.82	--	14397.22

43. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value.

The Board of Directors of the Company seek to maintain a balance between the higher returns that might be possible with higher level of borrowing and advantages by a sound capital position.

The Company monitors capital using a ratio of "Net debt to equity". The Company's net debt to equity ratio is as follows:

Particulars	31 March 2023	31 March 2022
Net debt (Rs.Lakhs)	8541.77	25831.31
Total equity(Rs.Lakhs)	55,928.75	56,733.71
Net debt to equity ratio	0.15	0.46

Prajay Engineers Syndicate Limited**Notes forming part of the Standalone Financial Statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

44. Additional Regulatory Information**Ratios**

Sl.No.	Ratio	Numerator	Denominator	Current Year	Previous Year
1	Current ratio (in times)	Total current assets	total currenct liabilities	1.93	1.08
2	Debt-Equity ratio(in times)	Total Debt including current and non currenct borrowings	Total Equity	0.15	0.46
3	Debt service coverage ratio (in times)	Earnings for Debt Service=Net Profit after taxes +Non-cash Operating Expenses +Interest	Debt Service=Interest and Principal repayments	0.09	0.19
4	Return on equity ratio(in %)	Profit for the year	Average total Equity	-10.82%	-1.71%
5	Inventory turnover ratio (in times)	Cost of Materials consumed + changes in inventories	Average Inventories	0.07	0.07
6	Trade receivables turnover ratio(in times)	Revenue from Operations	Average trade receivables	0.20	0.54
7	Trade payables turnover ratio(in times)	Direct cost + Other Expenses	Average trade payables	0.33	0.55
8	Net capital turnover ratio(in times)	Revenue from Operations	Average Working Capital	0.26	2.84
9	Net profit ratio (in %)	Profit for the year	Revenue from Operations	-25.38%	-1.29%
10	Return on capital employed(in %)	Profit before tax and finance cost	Capital employed=Net worth+borrowings+Deferred tax liabilities	-0.48%	0.54%

45. Prior year comparatives

The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the current year's classification.

As per our report of even date
attached

For **Karumanchi & Associates**

Chartered Accountants

ICAI Firm Regn No : 001753S

For and on behalf of the Board of Directors of Prajay Engineers Syndicate Limited.

K.Peddabbai
Partner
Membership No : 025036
UDIN No :
23025036BGYMDH5890

Sd/-
D. Vijay Sen Reddy
Chairman and Managing Director
DIN: 00291185

Sd/-
D. Rohit Reddy
Director
DIN: 07560450

Place : Hyderabad
Date : 27.05.2023

Sd/-
P. Bhaskara Rao
Chief Financial Officer
M.No : CMA 9445

Sd/-
T.Siva Kumar
Company Secretary
M.No : A37447

INDEPENDENT AUDITOR'S REPORT

To the Members of Prajay Engineers Syndicate Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Prajay Engineers Syndicate Limited ("the Holding Company") and its subsidiaries (Holding company and its subsidiaries together referred to as "the Group") and its associates which comprise the consolidated balance sheet as at 31 March 2023, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year than ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statement give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, its profit/loss and other comprehensive income, changes in equity and its cash flows for the year ended on the date.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial results include annual financial results of the following entities:

- a) List of Subsidiaries :
 - 1. Prajay Holdings Private Limited.
 - 2. Prajay Retail Properties Private Limited.
 - 3. Secunderabad Golf and Leisure Resorts Private Limited.
- b) List of Associates :
 - 1. Prajay Properties Private Limited.

Basis for Opinion

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

Emphasis of Matters

We draw attention to below mentioned Notes to consolidated annual financial results :

- a) Note 37 relating to the Hon'ble NCLT, Hyderabad bench order referring the matter for resolution by way of mediation to the International Commercial Arbitration and Mediation Centre (IAMC), Hyderabad.

In furtherance to the mediation proceedings pertaining to the disputes between the Investor Entities (i.e. White Stock Limited & Belclare Limited) and Prajay Entities including Prajay Engineers Syndicate Limited (The Company), The Settlement Agreement has been executed amongst and by the parties, under the auspices of International Arbitration and Mediation Centre, (IAMC) Hyderabad and the filing of the compromise terms before the National Company Law Tribunal (NCLT), Hyderabad has been completed. The cases filed by the Investor Entities before the Hon'ble NCLT Bench, Hyderabad Bench have accordingly been disposed off.

- b) The Government of Andhra Pradesh (Youth Advancement Tourism & Culture Department, now the Government of Telangana) and the company along with its subsidiary M/s Secunderabad Golf & Leisure Resorts Private Limited, a special purpose company to develop Golf Course, had entered into Lease Agreement and Construction & Management agreement. Subsequently, for the issues that arose between the company and the Tourism Department, the Company invoked the Arbitration clause as per the Agreements and the Hon'ble High Court vide its order dated 28.07.2022 appointed Hon'ble S.M.Rafee (retired District judge) as the Arbitrator in Arbitration Application No.86 of 2022. The Arbitration proceedings are in progress.
- c) Note No. 35(a) of the Consolidated Financial Statements, in respect of trade receivable considered good include an amount of Rs.15239.52 Lakhs due from customers which are outstanding for more than six months. We are unable to comment on the realization of these receivables in the absence of confirmation from the concerned parties. An amount of Rs.1246.96 Lakhs is set aside towards provision for trade receivables considered as doubtful. During the year the company has written off bad and doubtful debts to the tune of Rs.1094.77 lakhs.
- d) Note No. 35(b) of the consolidated financial statements, in respect of Loans & Advances amounting to Rs.4233.09 Lakhs towards purchase of Land / Development towards certain project of long term nature, and an amount of Rs.894.87 Lakhs given to suppliers etc, outstanding from earlier years. We are unable to comment on the realization of these advances. An amount of Rs.700 Lakhs is set aside towards provision for Advances considered as doubtful.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion there on, and we do not provide a separate opinion on these matters.

Revenue recognition (refer note 3.1 to the consolidated financial statements)

The key Audit Matter	How the matter was addressed in our audit
<p>Revenue from sale of residential and commercial units represents 65.70 % of the total revenue from operations of the company.</p> <p>Revenue recognition – fixed price development contracts The Group inter alia engages in fixed – price development contracts, where, revenue is recognized using the percentage of completion computed as per the input method based on management's estimate of contract costs (Refer Note 3.3 to the consolidated financial Statements).</p> <p>Measurement of revenue recorded over time which is dependent on the estimates of the costs to complete Revenue recognition involves significant estimates related to measurement of costs to complete for the projects. Revenue from projects is recorded based on management's assessment of the work completed, costs incurred and accrued and the estimate of the balance costs to complete. Due to the inherent nature of the projects and significant judgement involved in the estimate of costs to complete, there is risk of overstatement or understatement of revenue.</p>	<p>Our audit procedures on revenue recognition included the following;</p> <ul style="list-style-type: none"> Evaluating that the company's revenue recognition accounting policies are in line with the applicable Accounting standards and their application to the key customer contracts including consistent application; Sales cut-off procedures for determination of revenue in the current reporting period. Scrutinizing all the revenue journal entries raised throughout the reporting period and comparing details of a sample of these journals, Which met certain risk-based criteria, with relevant underlying documentation; Conducting site visits during the year for selected projects to understand the scope and nature of the projects and to assess the progress of the projects and Considered the adequacy of the disclosures in note 2 & 3 to the consolidated financial statement in respect of the judgment taken in recognizing revenue for residential and hospitality sector. <p>In addition, we have performed the following procedures:</p>

<p>At Year-end a significant amount of work in progress related to these contracts is recognized on the balance sheet.</p>	<p>Revenue recognition prior to receipt of OC / similar approval and intimation to the customer</p> <ul style="list-style-type: none"> • Discussing and challenging key management judgments in interpreting contractual terms including obtaining in- house legal interpretations; • Testing sample sales of units for projects with the underlying contracts, completion status and proceeds received from customers; • Identified and tested operating effectiveness of key controls around approvals of contracts, milestone billing, intimation of possession letters / intimation of receipt of occupation certificate and controls over collection from customers; and • We have obtained confirmations, on a sample basis, from major customers for selected projects to confirm revenue recognised during the year end, performing alternative procedures by comparing details with contracts , collection details and other underlying project related documentation for cases where confirmations are not received. <p>Measurement of revenue recorded over time which is dependent on the estimates of the costs of complete</p> <p>Compared, on a sample basis, revenue transactions recorded during the year with the underlying contracts, progress reports, invoices raised on customers and collections in bank accounts and whether the related revenue had been recognized in accordance with the Group's revenue recognition policies;</p> <ul style="list-style-type: none"> • Identification and testing operating effectiveness of key controls over recording of actual costs incurred for the projects; • Review of the costs to complete workings, comparing the costs to complete with the budgeted costs and inquiring into reasons for variance; and • Sighting approvals for changes in budgeted costs with the rationale for the changes and assessment of contract costs to determine no revenue nature costs are taken to inventory.
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Inventories (refer note 11 to consolidated financial statements)

The key Audit Matter	How the matter was addressed in our audit
<p>Inventories comprising of land, construction work in progress, food & beverages represent 47.64% of the Company's total assets.</p> <p>Assessing net realizable value</p> <p>The Group recognizes profit on each sale by reference to the overall project margin, which is the projected profit percentage for a phase that may comprise multiple units and can last a number of years. The recognition of profit is therefore dependent on the estimate of future selling prices and build costs including an allowance for risk. Further</p>	<p>Our audit procedures to assess the net realizable value (NRV) of inventories included the following:</p> <ul style="list-style-type: none"> • Discussion with the management to understand the basis of calculation and justification for the estimated recoverable amounts of the unsold units ("the NRV assessment"); • Evaluating the design and implementation of the Company's internal controls over the NRV assessment. Our evaluation included assessing whether the NRV assessment was prepared and updated by appropriate personnel of the Company and whether the key estimates, including estimated

<p>estimation uncertainty and exposure to cyclicalities exists within the long term projects.</p> <p>Forecasts of future sales are dependent on market conditions, which can be difficult to predict and be influenced by political and economic factors.</p> <p>Inventory represents the capitalized project costs to date less amounts expensed on sales by reference to the aforementioned projections. It is held at the lower of cost and net realizable value, the latter also being based on the forecast for the project. As such inappropriate assumptions in these forecasts can impact the assessment of the carrying value of inventories.</p> <p>Further, due to their materiality in the context of total assets of the Company this is considered significant to our overall audit strategy and planning.</p>	<p>future selling prices and costs of completion for all property development projects, used in the NRV assessment, were discussed and challenged by management as appropriate;</p> <ul style="list-style-type: none"> • Evaluating the management's valuation methodology and assessing the key estimates, data inputs and assumptions adopted in the valuations, which included comparing expected future average selling prices with available market data such as recently transacted prices for similar properties located in the nearby vicinity of each property development project and the sales budget plans maintained by the Company; • Re-performing the calculations of the NRV assessment and comparing the estimated construction costs to complete each development with the Company's updated budgets.
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Land Advances - (refer note 10 to the consolidated financial statements)

The key Audit Matter	How the matter was addressed in our audit
<p>Assessment of recoverability of land advances</p> <p>Land advance represents a sizeable portion of the Company's total assets.</p> <p>Land advance represents the amount paid towards procurement of land parcels to be used in the future, for construction of residential projects. These advances are carried at cost less impairment losses, if any. These land advance will be converted into land parcels as per the terms of the underlying contract under which these land advances have been given. To assess the carrying value of land advances, these advances are tested for recoverability by the Company by comparing the valuation of land parcels in the same area for which land advances have been given.</p> <p>Further due to their materiality in the context of total assets of the company this is considered significant to our overall audit.</p>	<p>Our audit procedures to assess the recoverability of land advances included the following;</p> <ul style="list-style-type: none"> • For our samples, verified the underlying agreements in possession of the Company, based on which land advances were given; • Discussion with the management to understand their plan for conversion of these land advances into land parcels; and • For our samples, verified the valuation reports of land stock.

Other Information

The Group's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated financial statements and our auditors' report there on.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion there on.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statement or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Group's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these consolidated financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the Preparation and Presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibility for the audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable that:

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

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

(c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this report are in agreement with the books of account;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act;

(e) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164 (2) of the act; and

(f) With respect to the adequacy of the internal financial controls with reference to the consolidated financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

(i) The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in It's consolidated financial statements - Refer Note 34 & 37 to the consolidated financial statements;

(ii) The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023; and

(iv) a) The management has represented that , to the best of its knowledge and belief, no funds have been

advanced or loaned or invested (either from borrowing funds or share premium or any other sources or Kind of funds) by the Company to or in any other person or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the company or
- Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b) The Management has represented that to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the Understanding, whether recorded in writing or otherwise, that the Company shall:

- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or
- Provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) (a) and (iv) (b) contain any material mis-statement.

(v). During the year, the company has not declared any dividend.

(C) With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the act. The Remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For and on behalf of

Karumanchi & Associates

Chartered Accountants

Firm’s Registration Number : 001753S

Sd/-

K.Peddabbai

Partner

M.No : 025036

UDIN No : 23025036BGYMDI2468

Place : Hyderabad

Date : 27.05.2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT – 31 MARCH 2023

Report on the Internal Financial Controls with reference to the aforesaid consolidated financial statements under Clause (I) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to consolidated financial statements of Prajay Engineers Syndicate Limited ("The Company") as of 31 March 2023 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on the date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note")

Management's Responsibility by Internal Financial Controls

The Group's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to consolidated financial statements criteria established by the Company considering the essential components or internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation or reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with respect to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

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

For and on behalf of

Karumanchi & Associates

Chartered Accountants

Firm's Registration Number : 001753S

Sd/-

K.Peddabbai

Partner

M.No : 025036

UDIN No : 23025036BGYMDI2468

Place : Hyderabad

Date : 27.05.2023

Prajay Engineers Syndicate Limited**Consolidated Balance Sheet as at 31st March, 2023**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
Assets			
Non-current assets			
Property, plant and equipment	6	11,819.62	12,217.02
Capital work-in-progress		11,087.08	27,466.91
Goodwill on Consolidation		1,021.78	1,021.78
Intangible assets	7	0.94	0.94
Financial assets			
Investments	8	5,677.28	5,676.86
Loans	9	-	-
Other non-current assets	10	4,171.99	4,619.09
		33,778.69	51,002.60
Current assets			
Inventories	11	44,911.10	45,104.63
Financial assets			
Investments	8	0.11	0.10
Trade receivables	12	13,179.84	16,916.73
Cash and bank balances	13	794.02	313.23
Loans	9	625.88	607.70
Current tax assets, gross		75.41	294.56
Other current assets	10	899.93	1,035.09
		60,486.29	64,272.04
Total assets		94,264.98	1,15,274.64
Equity and Liabilities			
Equity			
Equity share capital	14	6,993.58	6,993.58
Other equity	15	48,649.74	49,714.54
Equity attributable to equity holders of the company		55,643.32	56,708.12
Non-Controlling Interest		41.78	70.97
Total equity		55,685.10	56,779.09
Non-current liabilities			
Financial Liabilities			
Borrowings	16	15,360.72	14,992.51
Provision for Gratuity		94.01	94.14
Deferred tax liabilities (net)	17	1,494.69	1,464.89
		16,949.42	16,551.54
Current liabilities			
Financial Liabilities			
Borrowings	16	1,868.69	2,015.18
Trade payables	18	15,766.60	17,082.36
Other financial liabilities	19	41.44	17,763.62
Other current liabilities	20	3,953.73	4,933.34
Liabilities for current tax assets		-	149.51
Total liabilities		21,630.46	41,944.01
Total equity and liabilities		94,264.98	1,15,274.64

Summary of significant accounting policies 1 to 5

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached

for Karumanchi & Associates

Chartered Accountants

ICAI Firm Registration Number : 001753S

for and on behalf of the Board of Directors of Prajay Engineers
Syndicate Limited

Sd/-

K.Peddabbai

Partner

Membership No : 025036

UDIN No : 23025036BGYMDI2468

Sd/-

D.Vijay Sen Reddy

Chairman and Managing Director

DIN : 00291185

Sd/-

D.Rohit Reddy

Director

DIN : 07560450

Sd/-

P.Bhaskara Rao

Chief Financial Officer

M.No : CMA 9445

Sd/-

T.Siva Kumar

Company Secretary

M.No : A37447

Place : Hyderabad

Date : 27.05.2023

Prajay Engineers Syndicate Limited Consolidated Statement of Profit and Loss Account for the year ended 31st March, 2023 (All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)			
Particulars	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from operations	21	2,982.78	9,304.97
Other income	22	1,891.06	214.25
Total income		4,873.84	9,519.22
Expenses			
Cost of Land, Plots and Constructed Properties	23	1,669.04	7,366.84
Direct Cost Hotels & Resorts	23	474.23	394.92
Employee benefits expense	24	328.18	266.31
Depreciation and amortisation expense	25	403.46	410.96
Finance costs	26	396.13	514.02
Other expenses	27	2,466.37	636.86
Total expense		5,737.41	9,589.91
Profit before non-controlling interests/share in profit/(loss) of associates		(863.57)	(70.69)
Share of Profit / (Loss) of associates		(48.94)	(117.80)
Profit before exceptional items and tax		(912.51)	(188.49)
Exceptional items		-	-
Profit before tax		(912.51)	(188.49)
Tax expenses			
Current tax		-	-
Prior Period Tax		-	-
Deferred tax charge		29.80	60.35
Total tax expense		29.80	60.35
Profit for the year		(942.31)	(248.84)
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Net (loss)/ gain on Fair Value Through OCI (FVTOCI) equity securities		0.41	0.20
Re-measurement gains/ (losses) on defined benefit plan		-	-
Income-tax effect		(0.06)	(0.03)
Other comprehensive income for the year, net of tax		0.35	0.17
Total comprehensive income for the year		(941.96)	(248.67)
Profit attributable to :			
Owners of the company		(913.12)	(246.53)
Non Controlling Interest		(29.19)	(2.31)
Profit for the year		(942.31)	(248.84)
Total Comprehensive Income attributable to:			
Owners of the company		(912.77)	(246.36)
Non Controlling Interest		(29.19)	(2.31)
Profit for the year		(941.96)	(248.67)
Earnings per equity share (nominal value of INR 10) in INR			
Basic and Diluted		(1.35)	(0.36)
Summary of significant accounting policies	1 to 5		
The accompanying notes are an integral part of the consolidated financial statements.			
As per our report of even date attached			
for Karumanchi & Associates		for and on behalf of the Board of Directors of Prajay Engineers Syndicate Limited	
Chartered Accountants			
ICAI Firm Registration Number : 001753S			
Sd/-	Sd/-	Sd/-	
K.Peddabbai	D.Vijay Sen Reddy	D.Rohit Reddy	
Partner	Chairman and Managing Director	Director	
Membership No : 025036	DIN : 00291185	DIN : 07560450	
UDIN No : 23025036BGYMDI2468			
	Sd/-	Sd/-	
	P.Bhaskara Rao	T.Siva Kumar	
Place : Hyderabad	Chief Financial Officer	Company Secretary	
Date : 27.05.2023	M.No : CMA 9445	M.No : A37447	

Prajay Engineers Syndicate Limited
Consolidated Statement of Changes in Equity for the year ended 31st March, 2023
(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

a. Equity Share Capital	No. of shares	Amount
Equity shares of INR 10 each issued		
At March 31, 2022	7,02,67,291	7,026.72
At March 31, 2023	7,02,67,291	7,026.72
Equity shares of INR 10 each subscribed and fully paid-up		
At March 31, 2022	6,99,35,791	6,993.58
At March 31, 2023	6,99,35,791	6,993.58

b. Other equity

Particulars	Reserves and Surplus				Total
	Share Premium	Capital Reserve	General reserve	Retained Earnings	
At March 31, 2022	42,898.08	1,058.88	1,999.08	3,758.50	49,714.54
Profit for the year				(942.31)	(942.31)
Other comprehensive income					
Net (loss)/ gain on Fair Value Through OCI (FVTOCI) equity securities				0.41	0.41
Income Tax Refund				-	-
Net of Income Tax Provisions of Previous Years				(122.84)	(122.84)
Income-tax effect				(0.06)	(0.06)
Balance as of 31 Mar 2023	42,898.08	1,058.88	1,999.08	2,693.70	48,649.74

Summary of significant accounting policies	1 to 5	
The accompanying notes are an integral part of the consolidated financial statements.		
As per our report of even date attached for Karumanchi & Associates <i>Chartered Accountants</i> ICAI Firm Registration Number : 001753S	for and on behalf of the Board of Directors of Prajay Engineers Syndicate Limited	
Sd/- K.Peddabbai <i>Partner</i> Membership No : 025036 UDIN No : 23025036BGYMDI2468	Sd/- D.Vijay Sen Reddy Chairman and Managing Director DIN : 00291185	Sd/- D.Rohit Reddy Director DIN : 07560450
Place : Hyderabad Date : 27.05.2023	Sd/- P.Bhaskara Rao Chief Financial Officer M.No : CMA 9445	Sd/- T.Siva Kumar Company Secretary M.No : A37447

Prajay Engineers Syndicate Limited Consolidated Statement of Cash Flows for the year ended 31st March, 2023 (All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)		
Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Operating activities		
Profit before tax	(912.51)	(188.49)
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation of tangible assets	403.46	410.95
Amortisation of intangible assets	-	0.01
Finance income (including fair value change in financial instruments)	(5.68)	(2.16)
Finance costs (including fair value change in financial instruments)	395.72	513.82
<i>Working capital adjustments:</i>		
(Increase)/ decrease in trade receivables	3,736.89	879.87
(Increase)/ decrease in inventories	193.53	5,614.95
(Increase)/ decrease in loans	(18.18)	48.68
(Increase)/ decrease in other assets	582.26	79.11
Increase/ (decrease) in trade payables and other financial liabilities	(2,598.04)	(4,579.27)
Increase/ (decrease) in provisions	(81.21)	(0.15)
Increase/ (decrease) in other non financial liabilities	(979.67)	(2,340.89)
	716.57	436.43
Income tax paid	(1.92)	39.28
Net cash flows from operating activities	714.65	475.71
Investing activities		
Purchase of property, plant and equipment (including capital work in progress)	(65.53)	(550.31)
(Investments in)/ redemption of bank deposits (having original maturity of more than three months) - net	(0.01)	-
Interest received (finance income)	5.68	2.16
Net cash flows used in investing activities	(59.86)	(548.15)
Financing activities		
Proceeds / (repayment) from long term borrowings, net	368.21	304.41
Proceeds / (repayment) from short term borrowings, net	(146.49)	276.87
Interest paid	(395.72)	(513.82)
Net cash flows from/ (used in) financing activities	(174.00)	67.46
Net increase / (decrease) in cash and cash equivalents	480.79	(4.98)
Cash and cash equivalents at the beginning of the year (refer note 13)	313.23	318.21
Cash and cash equivalents at the end of the year (refer note 13)	794.02	313.23
Note: Cash and cash equivalents INR 31.15 lakhs in Escrow account (31.03.2022 : INR 31.15 Lakhs) Summary of significant accounting policies 1 to 5 The accompanying notes are an integral part of the consolidated financial statements.		
As per our report of even date attached for Karumanchi & Associates <i>Chartered Accountants</i> ICAI Firm Registration Number : 001753S	for and on behalf of the Board of Directors of Prajay Engineers Syndicate Limited	
Sd/- K.Peddabhai <i>Partner</i> Membership No : 025036 UDIN No : 23025036BGYMDI2468	Sd/- D.Vijay Sen Reddy Chairman and Managing Director DIN : 00291185	Sd/- D.Rohit Reddy Director DIN : 07560450
Place : Hyderabad Date : 27.05.2023	Sd/- P.Bhaskara Rao Chief Financial Officer M.No : CMA 9445	Sd/- T.Siva Kumar Company Secretary M.No : A37447

Prajay Engineers Syndicate Limited**Notes forming part of the consolidated financial statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

1. General information

Prajay Engineers Syndicate Limited (the parent company) is a public company domiciled & incorporated under the provisions of the Companies Act, 1956 on April 19, 1994. The Company together with its subsidiaries, partnership firms and associates (hereinafter collectively referred to as “the Group” or “the Company”) is engaged primarily in the business of real estate construction, development and maintaining hospitality projects. The shares of the parent company are listed on two stock exchanges in India i.e. National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

Description of the Group

Subsidiaries, step down subsidiaries and associates of the parent company are listed below:

Name	Relationship	Country of Incorporation	Percentage of ownership interests as at March 31, 2023	Percentage of ownership interests as at March 31, 2022
Prajay Holdings Private Limited (PHPL).	Subsidiary	India	78.00	78.00
Prajay Developers Private Limited (Formerly MVL Trading Company Private Ltd.)	Subsidiary of PHPL	India	100.00	100.00
Prajay Retail Properties Private Limited (Formerly Dillu Cine Enterprises Pvt Ltd)	Subsidiary	India	100.00	100.00
Secunderabad Golf and Liesure Resorts Private Limited	Subsidiary	India	100.00	100.00
Prajay Properties Private Limited (PPPL).	Associate	India	49.50	49.50
Prajay Land Capital Private Limited.	Associate (Subsidiary of PPPL)	India	99.98	99.98
Genesis Capital Private Limited	Associate	Mauritius	50.00	50.00

2. Basis of preparation of consolidated financial statements

The consolidated financial statements of the Group for the year ended 31 March 2023 have been prepared and presented in accordance with the Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules 2015 as amended from time to time.

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the statement of financial position:

Prajay Engineers Syndicate Limited

Notes forming part of the consolidated financial statements

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

- certain financial assets and liabilities are measured at fair value;
- employee defined benefit assets/(liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation;
- long term borrowings are measured at amortized cost using the effective interest rate method.

2.1 Functional currency

The financial statements are presented in Indian rupees, which is the functional currency of the parent Company. Functional currency of an entity is the currency of the primary economic environment in which the entity operates.

2.2 Operating cycle

All the assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

Assets:

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realized in, or is intended for sale or consumption in, the normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realized within twelve months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within twelve months after the reporting date; or
- d) the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of non-current assets/ liabilities respectively. All other assets/ liabilities are classified as non-current.

Prajay Engineers Syndicate Limited

Notes forming part of the consolidated financial statements

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

3 Significant accounting policies

3.1 Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including special purpose entities) that are controlled by the Company. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. For the purpose of preparing these consolidated financial statements, the accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Company

Associates (equity accounted investees)

Associates are those entities over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entities but is not control or joint control of those policies. Significant influence is generally presumed to exist when the Company holds between 20% and 50% of the voting power of another entity.

Investments in associates are accounted for using the equity method (equity accounted investees) and are initially recognised at cost. The carrying value of the Company's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The Company does not consolidate entities where the non-controlling interest ("NCI") holders have certain significant participating rights that provide for effective involvement in significant decisions in the ordinary course of business of such entities. Investments in such entities are accounted by the equity method of accounting. When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Company has an obligation or has made payments on behalf of the investee.

For the purpose of preparing these consolidated financial statements, the accounting policies of associates have been changed where necessary to align them with the policies adopted by the Company.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements. Unrealized gains or losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee.

Loss of Control

Upon loss of control, the Company derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the consolidated statement of profit and loss. If the Company retains any interest in the previous subsidiary, then such interest is measured at fair value at the

Prajay Engineers Syndicate Limited**Notes forming part of the consolidated financial statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a FVTOCI or FVTPL financial asset, depending on the level of influence retained.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31st March.

3.2 Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from transition date i.e., 1 April 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward.

The Company uses the acquisition method of accounting to account for business combinations. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The Company measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount of the identifiable assets acquired and liabilities assumed. When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, the excess is recognised in equity as capital reserve. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to the settlement of pre-existing relationships. Any goodwill that arises on account of such business combination is tested annually for impairment.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and the settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recorded in the consolidated statement of profit and loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Company recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Transaction costs that the Company incurs in connection with a business Combination are expensed as incurred.

Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders. The difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

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Notes forming part of the consolidated financial statements

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

3.3 Revenue recognition

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of taxes and applicable trade discounts and allowances.

- (i) Revenue from sale of land / plots is recognized in the financial year in which the agreement to sell is executed, at which time all the following conditions are satisfied:
 - the Company has transferred to the buyer the significant risks and rewards of ownership;
 - the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the land sold;
 - the amount of revenue can be measured reliably;
 - it is probable that the economic benefits associated with the transaction will flow to the Company; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.
- (ii) Revenue from constructed properties (excluding GST) is recognized on the “percentage of completion method”. The total sale consideration as per the agreements to sell constructed properties entered is recognized as revenue only when the stage of completion is 20 percent or more when the outcome of the project can be estimated reliably. When it is probable that total costs will exceed the total project revenue the expected loss is recognized immediately. GST does not form part of gross revenue.
- (iii) Contract revenue from the construction contracts are recognized on “percentage of completion method measured by survey of work performed” depending on the nature of the contract. The revenue on construction contract is recognized only when the stage of completion is 20 percent or more when the outcome of the contract can be estimated reliably. When it is probable that the total cost exceeds the total contract revenue, the expected loss is recognized immediately.
- (iv) Income from sale of Rooms, Food and Beverages and allied services relating to hotel operations is recognized upon rendering of the service. Income stated is exclusive of amount received towards sales tax/ service tax etc.
- (v) In respect of membership (club) sales, revenue is recognized as under:
 - Life membership, Permanent membership and Time-share membership over a period of 15 years,
 - Long-term membership over a period of 3 years.
 - Health club membership fully in the year of receipt.

Prajay Engineers Syndicate Limited**Notes forming part of the consolidated financial statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

Dividend and interest income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.4 Cost of construction

Cost of constructed properties includes cost of land (including land under agreements to purchase), estimated internal development costs, external development charges, constructions costs and development/ construction materials, which is charged to the statement of profit and loss based on the percentage of revenue recognized, in consonance with the concept of matching costs and revenue. Final adjustment is made on completion of the applicable project.

Cost of Construction Contracts includes estimated construction costs and construction material, which is charged to the statement of profit and loss based on percentage of revenue recognized measured by survey of work performed as per accounting policy above, depending on the nature of the contract, in consonance with the concept of matching costs and revenue. Final adjustment is made on completion of the applicable project.

Overhead expenses comprising costs other than those directly charged to the jobs are distributed over the various projects on a pro-rata basis having regard to the activity and nature of such projects.

3.5 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3.6 Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

Prajay Engineers Syndicate Limited

Notes forming part of the consolidated financial statements

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

3.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.8 Taxation

Income tax expense consists of current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising upon the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.9 Earnings per share

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

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Notes forming part of the consolidated financial statements

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

3.10 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within “other (income)/expense, net” in the income statement.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognized in the income statement as incurred.

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting period. As at March 31, 2023 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

Depreciation

Depreciation is recognized in the income statement on a straight-line basis over the estimated useful lives of property, plant and equipment as prescribed in Schedule II to the Companies Act, 2013. Leased assets are depreciated over the shorter of the lease term and their useful lives. The depreciation expense is included in the costs of the functions using the asset. Land is not depreciated.

Software for internal use, which is primarily acquired from third-party vendors and which is an integral part of a tangible asset, is capitalized as part of the related tangible asset. Subsequent costs associated with maintaining such software are recognized as expense as incurred. The capitalized costs are amortized over the estimated useful life of the software or the remaining useful life of the tangible fixed asset, whichever is lower.

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3.11 Inventories

Inventories are valued as under:

- Land earmarked for property development is valued at cost. Cost includes land acquisition cost, registration charges and stamp duty.
- Constructed properties includes cost of land, premium for development rights, construction costs and allocated interest and expenses incidental to the projects undertaken by the company.
- Stock of food and beverages are carried at cost and net realizable value, whichever is lower. Cost is determined on the “weighted average” method.

3.12 Impairment of non-financial assets

The carrying amounts of the Company’s non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”).

An impairment loss is recognized in the income statement if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Goodwill that forms part of the carrying amount of an investment in an associate is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

An impairment loss in respect of equity accounted investee is measured by comparing the recoverable amount of investment with its carrying amount. An impairment loss is recognized in the income statement, and reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

3.13 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 Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Prajay Engineers Syndicate Limited**Notes forming part of the consolidated financial statements**

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Defined contribution plans

The Company's contributions to defined contribution plans are charged to the income statement as and when the services are received from the employees.

Defined benefit plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used. The current service cost of the defined benefit plan, recognized in the income statement in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Other long-term employee benefits

The Company's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

3.14 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Prajay Engineers Syndicate Limited

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(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

3.15 Contingent liabilities & contingent assets

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 in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

3.16 Financial instruments

Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issues of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.

Subsequent measurement

Non-derivative financial instruments

- Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held with a business model whose objective to hold the asset 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.

- Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held with a business model whose objective is achieved by collecting contractual cash flows and selling financial assets 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. Further in cases where the Company had made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

- Investment in subsidiaries and associates

Investment in subsidiaries and associates are carried at cost in the separate financial statements.

- Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to short maturity of these instruments.

Prajay Engineers Syndicate Limited**Notes forming part of the consolidated financial statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

5 *Provision and contingent liability*

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

Prajay Engineers Syndicate Limited**Notes forming part of the consolidated financial statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

6 Property, plant and equipment

Particulars	Freehold land	Buildings	Plant and Machinery	Furniture and fixtures	Computers	Vehicles	Total
Cost							
At April 1, 2021	430.85	12,160.26	2,229.51	116.69	11.79	391.00	15,340.10
Additions			78.00	-	3.30	124.81	206.11
Adjustments		-	-			51.28	51.28
At March 31, 2022	430.85	12,160.26	2,307.51	116.69	15.09	464.53	15,494.93
Additions			4.85		0.50	1.84	7.19
Adjustments						22.22	22.22
At March 31, 2023	430.85	12,160.26	2,312.36	116.69	15.59	444.15	15,479.90
Accumulated depreciation							
At April 1, 2021	-	1,116.75	1,519.37	89.20	9.79	180.56	2,915.67
Charge for the year		199.58	165.10	3.18	0.85	42.25	410.96
Less: Adjustments		-	-			48.72	48.72
At March 31, 2022	-	1,316.33	1,684.47	92.38	10.64	174.09	3,277.91
Charge for the year	-	199.58	159.05	1.69	1.17	41.98	403.47
Less: Adjustments						21.12	21.12
At March 31, 2023	-	1,515.91	1,843.52	94.07	11.81	194.95	3,660.26
Carrying amount							
At April 1, 2021	430.85	11,043.51	710.14	27.49	2.00	210.44	12,424.43
At March 31, 2022	430.85	10,843.93	623.04	24.31	4.45	290.44	12,217.02
At March 31, 2023	430.85	10,644.35	468.84	22.62	3.78	249.20	11,819.62

Note

a) Capitalised borrowing costs

The amount of borrowing costs capitalised during the year ended March 31, 2023 was INR Nil (March 31, 2022 - INR Nil).

b) Charge on Property, plant and equipment

Property, plant and equipment with a carrying amount of INR Nil (March 31, 2022 - INR Nil) lakhs and Vehicles with a carrying amount of INR 141.45 lakhs (March 31, 2022 - INR 237.53 lakhs) are subject to a first charge to secure the Company's bank loans.

7 Intangible assets

Particulars	Computer softwares	Total
Cost		
At March 31, 2021	2.50	2.50
Additions	-	-
At March 31, 2022	2.50	2.50
Additions	-	-
At March 31, 2023	2.50	2.50
Accumulated depreciation		
At March 31, 2021	1.55	1.55
Depreciation expense	0.01	0.01
At March 31, 2022	1.56	1.56
Depreciation expense	-	-
At March 31, 2023	1.56	1.56
Carrying amount		
At March 31, 2021	0.95	0.95
At March 31, 2022	0.94	0.94
At March 31, 2023	0.94	0.94

Prajay Engineers Syndicate Limited**Notes forming part of the consolidated financial statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

6a Ageing for Capital Work -in-Progress**Ageing of Capital Work-in-progress as at March 31st 2023 is as follows:**

Particulars	Amount in Capital Work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	59.47	351.78	522.58	10,153.25	11,087.08
Total	59.47	351.78	522.58	10,153.25	11,087.08

Ageing of Capital Work-in-progress as at March 31st 2022 is as follows:

Particulars	Amount in Capital Work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	363.15	522.58	523.80	26,057.38	27,466.91
Total	363.15	522.58	523.80	26,057.38	27,466.91

Prajay Engineers Syndicate Limited**Notes forming part of the consolidated financial statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

8 Investments

Particulars	31 March 2023	31 March 2022
Non-current investments		
Investments carried at cost		
Unquoted equity shares		
<i>Investments in associates</i>		
64,595 (March 31, 2022: 64,595) equity shares of face value Rs. 10 each fully paid up in Prajay Properties Private Limited	6.46	6.46
10,000 (March 31, 2022: 10,000) equity shares of face value USD 1 each fully paid up in Genesis Capital Private Limited, Mauritius	5.18	5.18
Unquoted preference instruments		
<i>Investment in associate</i>		
40,130 (March 31, 2022: 40,130) optionally convertible preference shares of face value Rs. 10 each fully paid up in Prajay Properties Private Limited	4,013.00	4,013.00
Investment in the capital of partnership firm		
50% (March 31, 2022: 50%) share in the profits of Prajay Binjusaria Estates	1,650.50	1,650.50
Total investments carried at cost	5,675.14	5,675.14
Investments carried at Fair Value Through Other Comprehensive Income (FVTOCI)		
<i>Quoted equity shares</i>		
9,500 (March 31, 2022: 9,500) equity shares of face value Rs.10 each, fully paid up in Indian Overseas Bank	2.14	1.72
Total investments carried at fair value through other comprehensive income	2.14	1.72
Investments in term deposit accounts (original maturity more than 12 months)		
Term deposits with Banks	-	-
Total other investments	-	-
Total investments	5,677.28	5,676.86
Current investments		
Investments in term deposit accounts (original maturity more than 3 months and less than 12 months)		
Term deposits with HDFC Bank	0.11	0.10
Total other investments	0.11	0.10
Category-wise investments		
Investment in equity instruments	13.78	13.36
Investment in preference shares	4,013.00	4,013.00
Investment in capital of partnership firm	1,650.50	1,650.50
Investment in term deposit accounts with original maturity more than 3 months	0.11	0.10
Other disclosures		
Investment in associates	4,024.64	4,024.64
Investment in capital of partnership firm	1,650.50	1,650.50

Prajay Engineers Syndicate Limited**Notes forming part of the consolidated financial statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

9 Loans (Unsecured, considered good unless otherwise stated)

Particulars	31 March 2023	31 March 2022
Non-current		
	-	-
	-	-
Current		
	-	
Other loans and advances (a)	625.88	607.70
	625.88	607.70

10 Other assets

	31 March 2023	31 March 2022
Non-current assets		
<i>Unsecured, considered good</i>		
Advances for Purchase of Land / development (a)	3,521.09	3,960.09
Capital advances	12.00	12.00
<i>Unsecured, considered good</i>		
<i>Security deposits (b)</i>	638.90	647.00
Advances for Purchase of Land / development	700.00	700.00
	4,871.99	5,319.09
Less: Provision against advances for Purchase of Land / development	700.00	700.00
	4,171.99	4,619.09
Current assets		
<i>Unsecured, considered good</i>		
Prepaid expenses	5.06	3.63
Advances for material and works	894.87	1,031.46
	899.93	1,035.09

Note: (a) 1. includes advance to Partnership firm in which the company is partner INR 89.97 lakhs (31.03.2022 : INR 89.97 lakhs)

2. includes advance to Private Companies in which any director is director INR 21.45 lakhs (31.03.22: INR 292.71 lakhs)

(b) includes deposit to Director INR 500.00 lakhs (31.03.2022 : INR 500.00 lakhs)

11 Inventories

	31 March 2023	31 March 2022
Land at Cost	11,198.56	11,476.80
Land and construction work in progress - at cost	33,680.17	33,620.11
Food and Beverages - at cost	32.37	7.72
	44,911.10	45,104.63

12 Trade receivables

	31 March 2023	31 March 2022
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	13,992.56	15,258.76
Doubtful	1,246.96	1,246.96
	15,239.52	16,505.72
Provision for doubtful receivables	1,246.96	1,246.96
Bad and doubtful debts written off during the year	1,094.77	-
	12,897.79	15,258.76
Other receivables		
Unsecured, considered good	282.05	1,657.97
Total Trade receivables	13,179.84	16,916.73

13 Cash and bank balances

	31 March 2023	31 March 2022
Balances with banks:		
- On current accounts	784.05	292.04
Cash on hand	9.97	21.19
Cash and cash equivalents	794.02	313.23

Prajay Engineers Syndicate Limited**Notes forming part of the consolidated financial statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

12a Ageing for Trade Receivables as at March 31, 2023 is as follows

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade Receivables-Billed						
Undisputed Trade Receivables - considered good	282.05	94.68	532.37	34.48	14,437.89	15,381.47
Disputed Trade Receivables	-	-	-	-	-	-
	282.05	94.68	532.37	34.48	14,437.89	15,381.47
Less: Allowances for doubtful Trade Receivables	-	-	-	-	1,246.96	1,246.96
Bad and doubtful debts written off during the year					1,094.77	1,094.77
Total	282.05	94.68	532.37	34.48	12,096.16	13,039.74

Ageing for Trade Receivables as at March 31, 2022 is as follows

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade Receivables-Billed						
Undisputed Trade Receivables - considered good	1,657.97	202.99	179.65	165.10	15,827.84	18,033.55
Disputed Trade Receivables	1,657.97	202.99	179.65	165.10	15,827.84	18,033.55
Less: Allowances for doubtful Trade Receivables	-	-	-	-	1,246.96	1,246.96
Total	1,657.97	202.99	179.65	165.10	14,580.88	16,786.59

Prajay Engineers Syndicate Limited**Notes forming part of the consolidated financial statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

14 Share Capital

Particulars	31 March 2023	31 March 2022
Authorised Share Capital		
250,000,000 (March 31, 2022: 250,000,000) equity shares of Rs.10 each	25,000.00	25,000.00
Issued equity capital		
70,267,291 (March 31, 2022: 70,267,291) equity shares of Rs.10 each	7,026.72	7,026.72
Subscribed and fully paid-up		
69,935,791 (March 31, 2022: 69,935,791) equity shares of Rs.10/- each fully paid-up	6,993.58	6,993.58
	6,993.58	6,993.58

(a) Reconciliation of shares outstanding at the beginning and end of the reporting year

Particulars	31 March 2023		31 March 2022	
	No. of equity shares	Amount	No. of equity shares	Amount
Outstanding at the beginning of the year	6,99,35,791	6,993.58	6,99,35,791	6,993.58
Issued during the year	-	-	-	-
Outstanding at the end of the year	6,99,35,791	6,993.58	6,99,35,791	6,993.58

Of the above:

2,972,787 shares have been allotted pursuant to a contract without payment being received in cash.

(b) Terms / rights attached to the equity shares

The Company has one class of equity shares having a par value of Rs.10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of shareholders holding more than 5% shares in the

Particulars	31 March 2023		31 March 2022	
	No. of equity shares held	% holding in the class	No. of equity shares held	% holding in the class
-D.Vijay Sen Reddy	1,97,05,576	28.18	1,97,05,576	28.18

(d) Disclosure of Share Holding of Promoters & Promoters Group

Disclosure of shareholding of promoters and promoters group as at March 31, 2023 is as follows:

Promoter Name	31 March 2023		31 March 2022		% Change during the year
	No. of equity shares held	% holding in the class	No. of equity shares held	% holding in the class	
-D.Vijay Sen Reddy	1,97,05,576	28.18	1,97,05,576	28.18	-
-D.Sharmila Reddy	17,59,981	2.52	17,59,981	2.52	-
-D.Hymavathi Reddy	12,33,125	1.76	12,33,125	1.76	-
-D.Rohit Reddy	5,00,534	0.72	-	-	100.00
-Vijmohan Construction Private Limited	2,89,036	0.41	2,89,036	0.41	-
-Prajay Chit Private Limited	300	-	300	-	-
Total	2,34,88,552	33.59	2,29,88,018	32.87	-

Disclosure of shareholding of promoters and promoters group as at March 31, 2022 is as follows:

Promoter Name	31 March 2022		31 March 2021		% Change during the year
	No. of equity shares held	% holding in the class	No. of equity shares held	% holding in the class	
-D.Vijay Sen Reddy	1,97,05,576	28.18	1,97,05,576	28.18	-
-D.Sharmila Reddy	17,59,981	2.52	17,59,981	2.52	-
-D.Hymavathi Reddy	12,33,125	1.76	12,33,125	1.76	-
-Vijmohan Construction Private Limited	2,89,036	0.41	2,89,036	0.41	-
-Prajay Chit Private Limited	300	-	300	-	-
Total	2,29,88,018	32.87	2,29,88,018	32.87	-

15 Other equity

	31 March 2023	31 March 2022
Capital reserves:		
Opening balance	1,058.88	1,058.88
Add: Additions during the year	-	-
Closing balance	1,058.88	1,058.88
Share premium:		
Opening balance	42,898.08	42,898.08
Add: Premium on fresh issue	-	-
Closing balance	42,898.08	42,898.08
General reserve:		
Opening balance	1,999.08	1,999.08
Add: Amount transferred from retained earnings	-	-
Closing balance	1,999.08	1,999.08
Retained earnings:		
Opening balance	3,758.50	4,007.17
Retained Earnings of SGLRPL	-	-
Profit/(loss) for the year	(942.31)	(248.84)
Other comprehensive income	0.35	0.17
Income Tax Refund	-	-
Net of Income Tax Provisions of Previous Years	(122.84)	-
Closing balance	2,693.70	3,758.50
Total other equity	48,649.74	49,714.54

Prajay Engineers Syndicate Limited**Notes forming part of the consolidated financial statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

16 Borrowings

	31 March 2023	31 March 2022
Non-current Borrowings		
Secured loans		
Equipment / Auto Loans	4.48	3.54
(Secured by hypothecation of vehicles and equipments acquired out of the said loan. The loans are repayable in 36 equated monthly instalments, except for one Loan in 60 equated monthly installments)		
Loans from related parties - Prajay Properties Private Limited	2,990.65	2,623.38
(ICD from Prajay Properties Pvt.Ltd. secured by Mortgage of 49,869 Sft of office premises at Begumpet, land admeasuring Ac 11 Gts 33 in Sy. No.1222 at Shamirpet and land admeasuring 5168 Sq.Yds in Sy.Nos 1211 to1217 and 1226 at Shamirpet village along with the personal guarantee of some the Directors. The loan is repayable on the expiry of 72 months from the date of obtaining all statutory approvals for Prajay Megapolis project, which has not crystallised as on 31-3-23)		
Compulsorily Convertible Debentures	12,442.65	12,442.65
(held by White Stock Limited)		
1.Compulsorily Convertible Debentures of 716265 nos with face value Rs 1,000 each carry interest rate of 10% p.a issued on 24th October, 2007 and 28th February, 2008 with an option to convert in whole or in part within 8 years from the date of issue of such Debentures into such number of fully paid- up equity shares of the Company which is equal to the conversion price mutually agreed as per applicable laws. If at anytime within 8 years from the date of issue, the subscribers to such debentures do not exercise the right to conversion, the Company shall compulsorily convert such debentures into fully paid up equity shares of the Company at the expiry of 8 years.These Compulsorily Convertible Debentures have been issued under Foreign Direct Investment guidelines as issued by Government of India/RBI from time to time latest vide RBI Circular A.P.(DIR series) Circular No.20 dated December 14,2007 which classifies Compulsorily Convertible Debentures as equity instrument)		
2.Compulsorily Convertible Debentures of 5,28,000 nos with face value Rs.1000 each carry interest rate of 11% p.a (net of withholding tax) issued on 24th August, 2011 with an option to convert into equity shares of the company at on the date falling on the 8th anniversary of the first completion date.		
Less: Equity Component of CCD	1,127.06	1,127.06
	11,315.59	11,315.59
Debenture Application Money	1,050.00	1,050.00
Total non-current borrowings	15,360.72	14,992.51
Current Borrowings		
Deposits		
Unclaimed public deposits	1.39	1.39
Other deposits	70.00	70.00
Unsecured Loans	248.00	248.00
Unsecured loans from related parties	1,549.30	1,695.79
Total current Borrowings	1,868.69	2,015.18
17 Deferred tax liabilities		
	31 March 2023	31 March 2022
Difference in WDV of PPE as per books and WDV as per Income tax Act	1,423.87	1,336.77
Deferred tax for opening Ind AS adjustments	128.11	183.4
Deferred tax for periods Ind AS adjustments	(57.29)	(55.28)
	1,494.69	1,464.89
18 Trade payables		
	31 March 2023	31 March 2022
Total outstanding dues of micro enterprises and small enterprises	-	-
Others	15,766.60	17,082.36
	15,766.60	17,082.36
19 Other financial liabilities		
	31 March 2023	31 March 2022
Current		
Current maturities of non-current borrowings	41.44	1,696.32
Interest accrued and due on borrowings	-	16,067.30
	41.44	17,763.62
20 Other current liabilities		
	31 March 2023	31 March 2022
Advance from Customers	3,721.75	4,560.76
Accrued Lease Rent & Additional Development premium	231.98	372.58
	3,953.73	4,933.34

Prajay Engineers Syndicate Limited**Notes forming part of the consolidated financial statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

18a Ageing for Trade Payables as at March 31, 2023 is as follows

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade Payables					
MSME *					-
Others	2,026.77	1,131.97	134.00	12,473.86	15,766.60
Disputed Dues-MSME	-	-	-	-	-
Disputed Dues-Others	-	-	-	-	-
Total	2,026.77	1,131.97	134.00	12,473.86	15,766.60

Ageing for Trade Payables as at March 31, 2022 is as follows

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade Payables					
MSME *	-	-			-
Others	2,106.10	225.13	243.30	14,507.83	17,082.36
Disputed Dues-MSME					-
Disputed Dues-Others					-
Total	2,106.10	225.13	243.30	14,507.83	17,082.36

* MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

Prajay Engineers Syndicate Limited**Notes forming part of the consolidated financial statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

21 Revenue from operations

	31 March 2023	31 March 2022
Construction division		
(a) Sale of Constructed Properties	640.36	6,491.34
(b) Sale of Land	1,319.37	2,118.83
Hospitality division		
(a) Sale of Rooms	261.42	196.65
(b) Food and Beverages	760.03	497.05
(c) Others	1.60	1.10
(d) Membership Fees	-	-
	2,982.78	9,304.97

22 Other income

	31 March 2023	31 March 2022
Interest income		
On fixed deposits	1.57	-
On Income Tax Refunds	2.02	9.49
Others	5.68	2.16
Other operating revenues-Rental Income	167.98	122.92
Income Gained On OTS With Banks.	1,599.67	-
Agricultural Income	-	4.65
Miscellaneous income	114.14	75.03
	1,891.06	214.25

23 Cost of sales

	31 March 2023	31 March 2022
a. Raw material and components consumed and development / construction costs:		
Inventory at the beginning of the year:		
-Land	11,476.80	11,102.73
-Constructed Properties	33,620.11	39,611.36
	45,096.91	50,714.09
Add: Purchases and development / construction costs	1,450.86	1,749.66
Less: inventory at the end of the year :		
-Land	11,198.56	11,476.80
-Constructed Properties	33,680.17	33,620.11
Sub total	44,878.73	45,096.91
Cost of raw material and components consumed and development / construction costs incurred:		
-Construction Contracts	-	-
-Development /Construction Costs	1,669.04	7,366.84
	1,669.04	7,366.84
b. Direct Cost of Hotels & Resorts		
Inventory at the beginning of the year	7.72	5.49
Add: Purchases	354.30	273.85
Less: inventory at the end of the year	32.37	7.72
Cost of food & others	329.65	271.62
Other Direct Expenditure	144.58	123.30
	474.23	394.92

24 Employee benefits expense

	31 March 2023	31 March 2022
Salaries, wages and bonus	380.63	303.57
Contribution to provident and other funds	6.07	7.84
Staff welfare expenses	6.35	9.27
	393.05	320.68
Less: Allocated to Projects	64.87	54.37
	328.18	266.31

Prajay Engineers Syndicate Limited**Notes forming part of the consolidated financial statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

25 Depreciation and amortisation expense

	31 March 2023	31 March 2022
Depreciation of tangible assets	403.46	410.95
Amortization of intangible assets	-	0.01
	403.46	410.96

26 Finance costs

	31 March 2023	31 March 2022
Interest on long term borrowings	6.38	423.32
Unwinding of interest on liabilities discounted	367.27	322.17
Finance charges payable under finance leases and hire purchase contracts	13.36	28.87
Bank Charges	9.12	5.84
	396.13	780.20
Less:Allocated to Projects	-	266.18
	396.13	514.02

27 Other expenses

	31 March 2023	31 March 2022
Advertisements	38.59	26.79
Legal and professional (a)	173.60	145.65
Power and fuel	314.79	183.98
Repairs and maintenance		
Buildings	7.27	6.53
Plant and machinery	5.44	7.54
Others	43.99	28.25
Insurance	3.46	6.48
Travel and conveyance	9.16	5.22
Rent (b)	38.40	13.10
Rates and taxes	728.70	163.09
Loss on Sale of Asset	0.26	-
Auditors' remuneration	16.11	14.20
Bad and doubtful debts written off during the year	1,094.77	-
Commission	-	12.12
Other general expenses	263.26	139.24
	2,737.80	752.19
Less:Allocated to Projects	271.43	115.33
	2,466.37	636.86

Note: a) includes professional charges paid to directors INR 123.24 lakhs (31.03.2022 : INR 95.50 lakhs)

b) includes rent paid for Directors INR.36.00 lakhs(31.03.2022 : INR 10.90 lakhs)

Prajay Engineers Syndicate Limited**Notes forming part of consolidated financial statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

28. As stated in Note 3.3 (ii) for recognizing profit on projects, stage of completion is determined as a proportion that project costs incurred for the work performed bear to the estimated total costs. Further, as stated in the note expected loss on projects is recognized when it is probable that the total project costs will exceed the total project revenue. For this purpose total project costs are ascertained on the basis of project costs incurred and costs to completion of projects on progress, which is arrived at by the Management, based on current technical data, forecasts and estimate of net expenditure to be incurred in future including for contingencies etc., which being technical matters have been relied on by auditors. Further, in respect of certain properties where sale agreement has been entered with parties even though money has not been received as per stipulation in the contract, the Company has recognized revenue and debtors as management is confident that it shall be able to realize the sale proceeds.
29. As stated in Note 3.3 (iii) the method used to recognize the contract revenue is percentage of completion method measured by survey of work performed. Further, as stated in that note expected loss on contracts is recognized when it is probable that the total contract cost will exceed the total contract revenue. For this purpose total contract cost is ascertained on the basis of contract cost incurred and cost to completion of contract on progress, which is arrived at by the Management, based on current technical data, forecasts and estimate of net expenditure to be incurred in future including for contingencies etc., which being technical matters have been relied on by auditors.
30. Inventories of constructed properties include land admeasuring 59 acres 21 guntas at Maheshwaram, Hyderabad, Telangana for which the subsidiary company has received approval vide letter no.1503/HADA/GH/2007 dated 08.10.2008 for development of Group housing layout, subject to certain conditions which include mortgage/charge on certain dwelling units to Hyderabad Metropolitan Development Authority(HMDA).

31. Related party transactions

- A. The following table provides the name of the related party and the nature of its relationship with the Company:

(a)	Name of the Party	Relationship	
	Prajay Holdings Private Limited	Subsidiary	
	Prajay Retail Properties Private Ltd	Subsidiary	
	Secunderabad Golf and Leisure Resorts Private Limited	Subsidiary	
	Prajay Developers Private Limited	Subsidiary of Prajay Holdings Private Limited	
	Prajay Binjusaria Estates	Associate	
	Prajay Properties Private Limited	Associate	
	Genesis Capital Private Limited (Mauritius)	Associate	

Prajay Engineers Syndicate Limited**Notes forming part of consolidated financial statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

(b)	Other Related Parties	Designation	Relatives (Relation)*
	Mr.D.Vijay Sen Reddy	Chairman and Managing Director	Mr.Rohit Reddy (Son) Ms.D.Sarojini Reddy (Daughter) Ms.D.Sharmila Reddy (Wife)
	Mr. K. Ravi Kumar	Non-executive Director	
	Mrs.P.Purnima	Director in subsidiary and associate companies.	
* Relatives of key management personnel with whom there were transactions during the year			

(c) Other entities under the control of key management personnel and their relatives

Vijaysena Construction Company	Prajay Chit Funds Private Limited
Prajay Velocity Developers Private Limited	Prajay Land Capital Private Limited
Design Experiment	Umbrella Water Proofing

(d) Terms and conditions of transactions with related parties:

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. For the year ended March 31, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2022 - Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

31.B Following are the transactions were carried out with related parties in the ordinary course of business:

31B The following transactions were carried out with related parties in the ordinary course of business							Rs.in Lakhs	
	Description	Name of the Related Party	Enterprises over which Key Management Personnel is able to exercise significant influence		Key Management Personnel (KMP) and their relatives		Maximum amount of loans/advances outstanding during the year	
			31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	Sale of land, property, material and work done		-	-		-		
	Remuneration paid			-	19.46	16.91		
	Professional Charges Paid				124.34	95.50		
	Rent paid				36.00	10.90		
	Advances Given		390.71	370.99	-	-		
	Repayment of Advances Taken		455.50	534.38	-	-		
	Repayment of Advances given		341.99	870.71				
	Advances Taken		253.50	576.03	-	-		
	Balance at the end of the year							
	Debit balances outstanding	Prajay Land Capital Private Limited	0.97	0.93			0.97	0.92
		Prajay Velocity Developers Private Limited	21.45	292.71			292.71	716.99
		Prajay Binjusaria Estates	89.97	89.97			89.97	89.97
		Prajay Properties Private Limited	319.94	-			319.94	-
		Key Management Personnel			550.00	550.00	550.00	550.00
	Credit balances outstanding	Prajay Properties Private Limited	3200.00	3,200.00				
		Prajay Properties Private Limited	-	229.16				
		Prajay Kamanwala Developers	-	2.50				
		Prajay Lifestyle UPVC Windows Private	1.29	1.29				
		Vijaysena Construction Company	316.11	280.45				
		Umbrella Water Proofing	1.23	7.23				
		Design Experiment	30.55	30.55				
		Key Management Personnel/relatives			1,356.41	1,491.99		

Prajay Engineers Syndicate Limited

Notes forming part of consolidated financial statements

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

32. Segment information

The senior management of the Company monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Accordingly, the Company has identified following as its reportable segment for the purpose of Ind AS 108:

- a) Real estate segment;
- b) Hotels and resorts segment.

Real Estate segment (RE) is into development, sale, management and operation of all or any part of townships, housing projects, also includes leasing of self owned commercial premises.

Hotels and Resorts Segment (HR) is into upkeep and maintenance of Hotels, Restaurants and Resorts. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Also, the Company's financing (including finance costs and finance income) and income taxes are managed on a overall basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The **following table's** present revenue and profit information for the Company's operating segments for the year ended March 31, 2023 and March 31, 2022 respectively.

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Prajay Engineers Syndicate Limited**Notes forming part of consolidated financial statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

33. Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity Shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	31 March 2023	31 March 2022
Profit/(Loss) after tax attributable to shareholders in INR Lakhs	(941.96)	(248.67)
Weighted average number of equity shares of INR 10 each outstanding during the period used in calculating basic and diluted EPS	69,935,791	69,935,791
Earnings per Share (Basic & Diluted)	(1.35)	(0.36)

Note: Dilution in EPS on account of compulsorily convertible debentures has not been considered as the terms of the debenture subscription agreement indicate that the number of equity shares to be issued against each debenture shall be decided within 8 years from the date of issue. The conversion ratio/price, as of the balance sheet date has not been decided.

34. Commitments and contingencies**a. Leases**

Operating lease obligations: The Company has taken equipments and motor vehicles under Equipment /Auto Loan arrangements for which the legal ownership will be transferred to the company at the end of the Loan period as per the agreement. The Company has paid INR 64.31 lakhs (March 31, 2022 –INR 94.46 lakhs) during the year towards minimum lease payments.

Future minimum rentals payable under non-cancellable operating lease are as follows:

Particulars	31 March 2023	31 March 2022
Within one year	41.44	96.65
After one year but not more than five years	4.48	3.54
More than five years	NIL	NIL

b. Commitments

The estimated amount of contracts, net of advances remaining to be executed on capital account is Nil (March 31, 2022 – Nil).

Prajay Engineers Syndicate Limited**Notes forming part of consolidated financial statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

c. Contingent liabilities (to the extent not provided for)

Particulars	31 March 2023	31 March 2022
The following disputed liabilities are under appeal by the company:		
Service tax*	1820.62	1820.62
Income tax**	5196.85	841.48
Entry Tax	--	13.18

*The company has disputed the liability and replied to the show cause notice, that the short payment of service tax, if any, demanded by the service tax authorities is not maintainable in law.

Further, as per circular No.108/02/2009-ST, dated 29.01.2009 issued by CBEC, no service tax is payable on the construction of complex service for the impugned period 2006-07 to 2010-11. During the impugned period, the company deposited with the service tax authorities, whatever service tax collected from the customers. The company has filed appeal on 08.04.2013 with CESTAT, Bangalore, against order dated 04.01.2013 of commissioner of service tax. CESTAT has pronounced stay against recovery during the pendency of appeal.

**The company has disputed the Income Tax liability for the assessment Year 2020-21 with a demand of Income tax for Rs.51,96,85,380/- by mechanical addition of contingent liabilities of Rs.1,48,05,28,000/- and replied to the demand notice. Further the company has filed a writ petition in the High Court of Telangana and the matter has been stayed by the Honourable High Court of Telangana.

35. (a) Trade Receivables (Note 12), unsecured considered good, includes Rs.15,239.52 lakhs (31-03-2022: Rs. 16,505.72 lakhs), outstanding for more than six months. As a result of economic slowdown and recession in realty sector, the realizations from customers are slow. The company has provided Rs.1246.96 lakhs towards doubtful debts against Trade receivables, unsecured, considered doubtful. During the year the company has written off bad and doubtful debts to the tune of Rs.1094.77 lakhs (31.03.2022: Nil)

(b) Non-current assets (Note 10) include advances given to Landlords/ developers towards certain projects amounting to Rs. 4,233.09 lakhs (31-03-2022: Rs.4,672.09 lakhs) and Short Term Loans and Advances to suppliers, etc amounting to Rs.894.87 lakhs (31-03-2022: Rs.1,031.46 lakhs) are outstanding. An amount of Rs.700 lakhs is set aside towards provision for advances considered as doubtful.

36.Based on the information available with the Company and the Group, there are two suppliers who are registered as micro, small or medium enterprises under “The Micro, Small and Medium Enterprises Development Act, 2006” as at March 31, 2023 and the amount due to them by the company is Rs.Nil. (March 31, 2022 : Nil).

37.The Secured Loan(Inter Corporate Deposit) of INR 3200.00 lakhs from Prajay Properties Private Limited is continuing as interest free by virtue of the agreement dated 6th Oct, 2009.

Since some of the statutory approvals for Prajay Megapolis Project are yet to be obtained, crystallization of loan repayment time schedule has not taken place as on 31.03.2023.

Prajay Engineers Syndicate Limited
Notes forming part of consolidated financial statements

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

In furtherance to the mediation proceedings pertaining to the disputes between the Investor Entities (i.e. White Stock Limited & Belclare Limited) and Prajay Entities including Prajay Engineers Syndicate Limited (The Company), The Settlement Agreement has been executed amongst and by the parties, under the auspices of International Arbitration and Mediation Centre, (IAMC) Hyderabad and the filing of the compromise terms before the National Company Law Tribunal (NCLT), Hyderabad has been completed. The cases filed by the Investor Entities before the Hon'ble NCLT Bench, Hyderabad Bench have accordingly been disposed off.

The Government of Andhra Pradesh (Youth Advancement Tourism & Culture Department, now the Government of Telangana) and the company along with its subsidiary M/s Secunderabad Golf & Leisure Resorts Private Limited, a special purpose company to develop Golf Course, had entered into Lease Agreement and Construction & Management agreement. Subsequently, for the issues that arose between the company and the Tourism Department, the Company invoked the Arbitration clause as per the Agreements and the Hon'ble High Court vide its order dated 28.07.2022 appointed Hon'ble S.M.Rafee (retired District judge) as the Arbitrator in Arbitration Application No.86 of 2022. The Arbitration proceedings are in progress.

38.Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Group's operations. The Company's principal financial assets include inventory, trade and other receivables, cash and cash equivalents and land advances and refundable deposits that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Board of Directors or respective companies reviews and agrees policies for managing each of these risks, which are summarized below.

a) *Market risk*

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity/ real estate risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits. The sensitivity analysis in the following sections relate to the position as at March 31, 2023 and March 31, 2022. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt.

The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations; provisions.

The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2023 and March 31, 2022.

Prajay Engineers Syndicate Limited**Notes forming part of consolidated financial statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

i. Interest rate risk

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

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company does not enter into any interest rate swaps.
Interest rate sensitivity

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

Particulars	Increase/decrease in interest rate	Effect on profit before tax (INR Rs. Lakhs)
March 31, 2023		
INR	+1%	(0.42)
INR	-1%	0.42
March 31, 2022		
INR	+1%	(301.33)
INR	-1%	301.33

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including refundable joint development deposits, security deposits, loans to employees and other financial instruments.

Trade receivables

- Receivables resulting from sale of properties: Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Company's credit risk in this respect.
- Receivables resulting from other than sale of properties: Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

Prajay Engineers Syndicate Limited
Notes forming part of consolidated financial statements

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

The impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company's credit period generally ranges from 30-60 days.

Financial Instrument and cash deposits:

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counter party.

Counterparty credit limits are reviewed by the Group and respective Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the respective Company's Finance Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counter party's potential failure to make payments. The Group's maximum exposure to credit risk for the components of the statement of consolidated financial position at 31 March 2023 and 2022 is the carrying amounts.

c) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:(Amounts in INR lakhs)

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
Year ended March 31, 2023						
Borrowings	501.39	631.73	2324.23	17448.72	--	20906.07
Trade payables	67.00	763.73	1386.77	13549.10	--	15766.60
Year ended March 31, 2022						
Borrowings	201.39	84.16	1431.04	33046.59	--	34763.18
Trade payables	67.00	648.16	1365.30	15001.90	--	17082.36

Prajay Engineers Syndicate Limited**Notes forming part of consolidated financial statements**

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

39.Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group Companies. The primary objective of the Group's capital management is to maximize the shareholder value.

The Group and respective Board of Directors of the Company's seek to maintain a balance between the higher returns that might be possible with higher level of borrowing and advantages by a sound capital position.

The Group monitors capital using a ratio of "Net debt to equity". The Group's net debt to equity ratio is as follows:

Particulars	31 March 2023	31 March 2022
Net debt (Rs.Lakhs)	17,270.85	34,771.31
Total equity (Rs.Lakhs)	55,685.10	56,779.09
Net debt to equity ratio	0.31	0.61

40.Prior year comparatives

The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the Current year's classification.

As per our report of even date attached

For **Karumanchi & Associates**

Chartered Accountants

ICAI Firm Registration Number : 001753S

Sd/-

K.Peddabbai

Partner

Membership No : 025036

UDIN No : 23025036BGYMDI2468

Place : Hyderabad

Date : 27.05.2023

For and on behalf of the Board of
Prajay Engineers Syndicate Limited

Sd/-

D. Vijay Sen Reddy

Chairman and Managing Director

DIN : 00291185

Sd/-

P. Bhaskara Rao

Chief Financial Officer

M.No : CMA 9445

Sd/-

D. Rohit Reddy

Director

DIN : 07560450

Sd/-

T.Siva Kumar

Company Secretary

M.No : A37447