Concept to Reality

Annual Report 2022-23

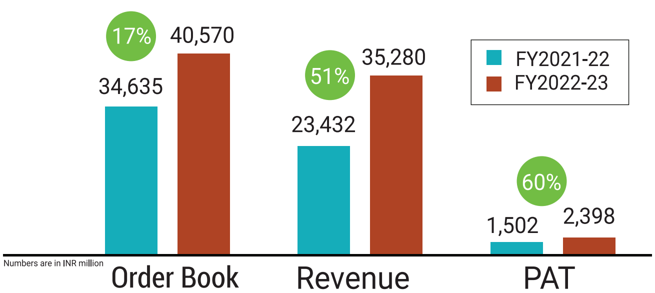
praj

Innovate • Integrate • Deliver

Achievements

Concept to Reality

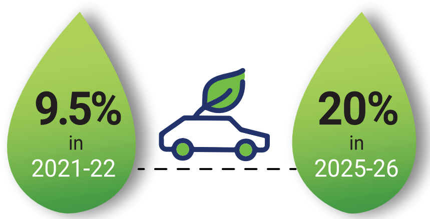
Strong business performance



CAPEX for powering growth

1. State of the art manufacturing facility
2. Demo plant for bio plastic
3. Catalysis lab at R&D center

Growing share of ethanol blending in petrol



Board of Directors

from L to R
Top Row : Sachin Raole, Suhas Baxi, Mrunalini Joshi, Shishir Joshipura, Sivaramakrishnan Iyer, Dr Shridhar Shukla
Bottom Row : Parimal Chaudhari, Dr Pramod Chaudhari, Berjis Desai

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Company Profile

Executive Directors	Dr Pramod Chaudhari, Executive Chairman Shishir Joshipura, CEO and Managing Director Sachin Raole, CFO and Director – Resources
Non Executive Directors	Berjis Desai Parimal Chaudhari Sivaramakrishnan Iyer Mrunalini Joshi Dr Shridhar Shukla Suhas Baxi
Chief Internal Auditor & Company Secretary	Dattatraya Nimbolkar
Statutory Auditor	P G BHAGWAT LLP
Cost Auditors	Dhananjay V. Joshi & Associates
Internal Auditors	Khare Deshmukh & Co.
Secretarial Auditors	KANJ & Co. LLP
Bankers	Bank of Maharashtra The Hong Kong and Shanghai Banking Corporation Limited ICICI Bank Limited Citibank N.A. Standard Chartered Bank
Registered Office	“Praj Tower”, S. No. 274 & 275/2, Bhumkar Chowk- Hinjewadi Road, Hinjewadi, Pune 411 057, Maharashtra, India
R & D Unit - I	Praj Matrix – The Innovation Center Gat No. 402, 403, 1098, Village Urwade, Tal. Mulshi, Pune 412 108, Maharashtra, India
R & D Unit - II	Shreenathnagar, Patethan, P.O. Rahu, Tal. Daund, Dist. Pune 412 207, Maharashtra, India
R & D Unit - III	Plot No. E-20 & E-21 additional MIDC Area, Jejuri Tal. Purandar, Pune 412 303, Maharashtra, India
Manufacturing Facilities	S.No.748, Gat No. 745, Sanaswadi, Pune 412 208, Maharashtra, India Gat No. 402, 403, 1098, Village Urwade, Tal. Mulshi, Pune 412 108, Maharashtra, India
Export Oriented Unit	Kandla SEZ Unit I, Plot No 307 to 314, Kandla SEZ Unit II, Plot No. 282 to 286 and 294 to 298, Kandla SEZ Unit III, Warehouse No. 1 to 3, Himalaya Complex, Phase I, Sector IV, Gandhidham, Kutch, 370230, Gujarat, India.
Presence in	India, Thailand, USA and The Philippines

Chairman's Message

Dear Shareholders,

I am privileged to present the 37th Annual Report of your Company for FY 2022-23. Amid turmoil in the world economy, India has received recognition as a bright spot, thanks to robust economic growth on the back of domestic consumption cycles. Your company has been able to leverage tailwinds in the home market to record strong financial performance.

There are rising concerns over the evils of climate change and its impact on the environment. In fact, according to the latest State of the Global Climate reports published by the World Meteorological Organization, the world witnessed hottest summer in 2022. Also, the past eight years were the warmest on record globally, fueled by ever-rising greenhouse gas concentrations and accumulated heat. May 2023 report of World Meteorological Organization has estimated weather and climate related disasters as USD 4.3 trillion and human casualties over 2 million in last five decades. While most of the economic damage was in developed nations, nine out of ten human casualties were reported in developing economies. This has further precipitated the need for sustainable climate action to curb greenhouse gas emissions.

The Race to Zero campaign towards carbon neutrality has gained strong momentum following COP 27 summit held in Egypt last year. Several nations and global conglomerates have announced definitive plans by way of roadmap to achieve net zero target. Adopting circular economy and embracing energy transition are among two most promising solutions to achieve Net Zero and bioeconomy encompasses both.

Your company has two pronged strategies in the realm of Bioeconomy viz. Bio-MobilityTM platform of technologies for production of low carbon biofuels and Bio-PrismTM portfolio of technologies for production of renewable chemicals and materials. While the former facilitates sustainable decarbonization, latter enables carbon recycling. Both innovative technology solutions help in transitioning from hydrocarbon-based economy to carbohydrate-based economy. In addition to being a renewable resource bioenergy also positively impacts socio and economic development of nation besides ensuring inclusive growth.

Your company is playing an important role in reconfiguring the nation's transportation fuel mix by helping build capacity for production of biofuels. India's strides in ethanol blending program, enabled by technology advancements, now at foothills of 20% blend, is acclaimed as a success story globally. Your company is proud to be a prime mover in this development, with over 70% share in the country's ethanol production capacity.

We have now successfully commissioned our First 2G Ethanol Bio-Refinery at IOCL Panipat and the first ethanol is out. This one plant will benefit more than 1 lac farmers, create around 1500 jobs for rural youth while eliminating around 320,000 MT of CO_2 every year which is equivalent to replacing nearly 63,000 cars on road annually.

Your company has reaffirmed its technology leadership in biofuels industry globally by deploying indigenously produced sustainable aviation fuel (SAF) blended with Aviation jet fuel (ATJ) in India's first ever commercial passenger flight. By collaborating with major national and international energy companies your company is building SAF capacities to ready India meet CORSIA mandates.

Energy Transition & Climate Actions has become a strong development agenda globally to facilitate transition to low carbon economy. With an array of technology embedded sustainability solutions, your company is gearing up to service significant opportunities from global customers.

As a firm believer of the premise that technology has prowess to change the world for better, your company continues to invest in developing innovative sustainable solutions. To curb evils of plastic menace and to support government of India's single use ban on plastic Praj has developed technology to produce bioplastics. As a part of commercialization our first-of-its kind demo cum pilot plant in Jejuri in outskirts of Pune, will be used for scaled production of Food Grade Lactic Acid and Polylactic Acid. To expedite our research technologies for production on SAF, bio butadiene, and biohydrogen, we are also making investments to set up "Multipurpose catalysis lab".

Your company, as a responsible organization, is committed to enhancing and contributing towards achieving a resilient and environmentally friendly future for all. As a part of our internal sustainability system, we monitor several key sustainability indices aligned with the principles of ESG i.e., Environmental, Social, and Governance. By embracing Bioeconomy, we can commence our voyage towards assured sustainability.

Your company is committed to causes that are for the greater good of society. As yet another demonstration, this year your company has taken up a project to make village Mandede in Mulshi district of Pune, Net Zero in two years' time with active support from villagers and other stakeholders. With over 650 lac villages, majority of India's population lives in villages and this model project is expected to inspire other villages to undertake similar initiatives and help India achieve its nationally determined contributions.

India is on course to become a five trillion-dollar economy by 2026-27 and has ambition to become developed economy by 2047. Your company is committed to help India achieve this ambitious goal and is accordingly investing in technology, people and infrastructure.

I remain confident of your continued support in realizing the company's vision of making the world a better place.

Dr. Pramod Chaudhari
Executive Chairman
July 2023, Pune

CEO & MD's Note

Dear Shareholders,

I am delighted to present the progress of your Company for FY 2022-23. Our Revenues on consolidated basis stood at Rs. 35,280.37 million (Rs. 23,432.74 million in FY 2021-22). PAT stood at Rs. 2,398.18 million (Rs. 1,502.420 million in FY2021-22). The Board of Directors have proposed a final dividend of Rs 4.50 per equity share for the financial year ended 31 March 2023.

FY 2022-23 was very exciting year for Your company. The year witnessed challenges around volatile commodity prices, global inflation, supply chain imbalance. Notwithstanding volatile external environment, we delivered a very formidable performance on the back of our single-minded focus on execution excellence and customer relationships. We also recorded important milestones such as Inauguration of prestigious 2G ethanol plant at IOCL Panipat, commissioning of rice straw based high yield CBG project, successful demonstration of first commercial passenger flight powered by indigenous sustainable aviation fuels.

Although the global economy is on a weak wicket, Indian economy showed resilience by recording highest growth among G20 nations, thanks to domestic demand cycle. Prolonged war in the Europe continued to overshadow global demand cycle. Although energy and food crisis has tapered apprehensions over latent inflation risk remain.

Year was also marred by several climate calamities that served as a stark reminder about uphill tasks on sustainable climate action. Energy transition to cleaner and greener energy sources is one of the most promising sustainable climate actions. Mainstreaming bioeconomy that utilizes agri based feedstock has emerged as promising pathway for curbing GHG emissions.

Hard to abate transportation sector is one of the major contributors to GHG emissions and biofuels as apart of bioeconomy are playing important role in its decarbonisation. Having crossed 10% blending target last year, India is taking strides towards achieving 20% blending by 2025-26. On the other hand, auto OEMs are actively gearing up for adopting biofuels. This was evidenced during the flagship India Auto Expo held in Delhi earlier this year when several leading OEMs showcased flex fuel vehicles. Flex fuel vehicles can work with ethanol blend of up to 85%.

With rising awareness about minimizing carbon footprint, low carbon ethanol has emerged as a very promising international opportunity. Your company is in dialogue with several ethanol producers in USA to discuss solutions for reducing overall carbon intensity of their plants.

Your company has successfully commissioned its first 2G ethanol plant in IOCL Panipat and we have produced the first ethanol. Our team is now focusing its effort in establishing continuous operations and reliability enhancement of the plant along with the IOCL team.

Successful commissioning of rice straw based commercial scale CBG plant at HPCL, Badaun is seen as an important step towards solving brown clouding issue due to stubble burning in the northern part of India. This is the first reference plant in the world that produces CBG using agricultural feedstock.

Indian aviation sector took a leap of faith towards cleaner skies by powering first ever commercial flight with a blend of indigenously produced sustainable aviation fuel. The SAF blended in the ATF was produced by Praj using sugary feedstock. This development holds great significance in SAF capacity building in India. As signatory to CORSIA guidelines, India has accepted blending mandate of SAF from 2027.

To address growing opportunities from Energy Transition & Climate Action (ETCA) segment, your company has launched a new subsidiary- Praj GenX Limited to offer cutting edge modularized solutions as well as critical equipment for various low carbon fuel projects such as Blue and Green Hydrogen/ ammonia etc. We have earmarked a CAPEX plan of Rs. 100 crores for setting up a modern manufacturing facility near a major port.

After facing strong headwinds of depressed demand cycles in past two years, our brewery business is gradually getting back to pre-covid demand cycles. We are nearing mechanical completion of ZLD project at IOCL Dhumad which is one of the largest in country. We have also introduced innovative modularization approach to our ZLD offerings that is receiving positive response from our key customer segments.

Praj HiPurity systems is witnessing sustainable growth opportunities with improved business traction in l fermenters that are finding very positive response.

With array of innovative industrial biotech solutions in its fold coupled with execution capabilities and customer centric approach, your company is well positioned to capitalize on different growth opportunities.

We are strengthening out talent pool, our most prized asset, to meet growing business demands. We are investing in imparting new age skills while exploring newer ways to attract and retain talent.

I am delighted to share that our Chairman Dr. Pramod Chaudhari joined a select league of nation's highly accomplished engineers by winning prestigious Eminent Engineer Award instituted by Engineering Council of India (ECI).

I remain grateful for guidance and directions I received from the members of the Board from time to time. I wish to record my sincere appreciation of our partners, customers and other and other stakeholders for the strong support. I thank you my dear shareholders for your continued belief in Praj's capabilities and bright future.

My team and I remain confident to continue to collaborate with all stakeholders and to lead Praj to its next phase of growth.

Shishir Joshipura
CEO & MD
July 2023, Pune

Achievements

Prestigious Eminent Engineer Award was bestowed to **Dr Pramod Chaudhari** at the hands of Dr V K Saraswat, Member, Niti Aayog during ECI's National Conference & Foundation Day, on 28th April 2023 in New Delhi.

Praj won the prestigious **Golden Peacock Awards 2022** in Innovative Product & Service for its ground-breaking product BIOSYRUP®

Praj at Glance (Consolidated)

	UOM	22-23	21-22	20-21	19-20	18-19
SALES	Rs. Min	35280.378	23432.744	13046.687	11023.657	11411.120
OTHER INCOME	Rs. Min	356.008	241.242	257.364	300.214	322.966
TOTAL INCOME	Rs. Min	35636.386	23673.986	13304.051	11323.871	11734.086
TOTAL EXPENDITURE EXCLUDING DEPRECIATION	Rs. Min	32146.666	21399.302	11951.787	10274.064	10625.337
EBIDTA (EXCLUDING OTHER INCOME)	Rs. Min	3180.001	2058.494	1190.781	820.070	883.323
DEPRECIATION	Rs. Min	302.471	225.912	221.218	218.461	229.496
PROFIT BEFORE TAX	Rs. Min	3187.249	2048.773	1131.046	831.346	879.253
PAT BEFORE MINORITY INTEREST	Rs. Min	2398.182	1502.421	810.587	704.363	682.075
PAT AFTER MINORITY INTEREST	Rs. Min	2397.941	1502.395	810.469	704.309	682.032
OTHER COMPREHENSIVE INCOME	Rs. Min	(16.331)	(22.437)	11.041	(3.294)	6.291
TOTAL COMPREHENSIVE INCOME	Rs. Min	2381.851	1479.984	821.628	701.069	688.366
NET BLOCK OF FIXED ASSETS + CWIP	Rs. Min	3275.140	2892.399	2845.581	2965.014	2928.679
SHARE CAPITAL	Rs. Min	367.426	367.347	366.458	366.320	365.296
RESERVES AND SURPLUS	Rs. Min	10412.558	8789.838	7651.774	6826.168	7084.856
NET WORTH	Rs. Min	10779.984	9157.185	8018.232	7192.488	7450.152
EPS BASIC	Rs.	13.05	8.18	4.43	3.85	3.75

RATIOS						
EBIDTA (EXCLUDING OTHER INCOME) TO SALES	%	9%	9%	9%	7%	8%
PBT TO SALES	%	9%	9%	9%	8%	8%
PAT TO SALES	%	7%	6%	6%	6%	6%
RONW	%	24%	17%	11%	10%	9%
ROCE	%	30%	23%	15%	12%	12%
NO. OF SHARES	Nos.	18,37,13,088	18,36,73,088	18,32,28,904	18,31,60,060	18,26,47,850
DIVIDEND	%	225%	210%	108%	135%	106%
BOOK VALUE PER SHARE	Rs.	58.68	49.86	43.76	39.27	40.79
CASH EPS	Rs.	14.70	9.41	5.63	5.05	5.01

DIRECTORS' REPORT

To

The Members of Praj Industries Limited,

Your Directors present their 37th Report together with the Audited Financial Statements for the year ended 31st March, 2023.

Financial Results (Standalone)

During the year under review, your Company has recorded total income of Rs.32,032 Mn. (previous year Rs. 21,140 Mn.), registering increase of 51.52% in total income. Profit after Tax increased by 44.53% to 2,376 Mn. (Previous year Rs.1,644 Mn.). The performance summary (standalone) is presented herewith:

(₹ Mn.)

Particulars	2022-23	2021-22
Turnover	**31,526**	20,623
Other Income	**506**	517
Total Income	**32,032**	21,140
Total Expenses	**28,940**	19,001
PBT	**3,092**	2,139
PAT	**2,376**	1,644
Other Comprehensive Income	**(20)**	(8)
Total Comprehensive Income	**2,356**	1,636
(+) Balance in Profit & Loss account	**6,345**	5,045
(+) INDAS Adjustments (ESOPs)		-
(-) IND AS Adjustment (Adjustment to opening Retained Earnings – IND AS 115: Revenue Recognition		-
Profit Available for Appropriations	**8,701**	6,681
Appropriations		
- Dividend	**770**	397
Transfer to / (from) Special Economic zone Re-investment Reserve	**-160**	-61
Balance in Statement of Profit & Loss	**8,090**	6,345

State of Company's Affairs

Please refer Management Discussion & Analysis annexed to this report dealing with the state of Company's affairs at length. (**Refer Annexure 1**).

Summary of Consolidated Results

During the year, the Total Income stood at Rs. 35,738 Mn which is 50.19% more over last year (Rs. 23,795 Mn). Profit after tax was Rs. 2,398 Mn previous year's figure (Rs 1,502 Mn) registering an increase of 59.65 % over last year. The performance summary is presented herewith:

(₹ Mn)

Particulars	2022-23	2021-22
Turnover	**35,280**	23,433
Other income	**458**	362
Total income	**35,738**	23,795
Total expenses	**32,551**	21,746
PBT	**3,187**	2,049
PAT (after Minority Interest)	**2,398**	1,502
(+) Other Comprehensive Income	**-16**	-22
Total Comprehensive Income	**2,382**	1,480

Dividend

The Board of Directors at its meeting held on 25th May, 2023 has recommended Dividend of Rs. 4.50/- per share (225%) of Face value of Rs. 2/- for the financial year 2022-23.

The dividend is payable subject to shareholders' approval at the ensuing Annual General meeting (AGM). The final dividend pay-out, if approved by the shareholders in the ensuing AGM, will be around Rs. 826.71 Mn.

The dividend pay-out is in line with the Company's Dividend Distribution Policy.

Dividend Distribution Policy

In accordance with the Regulation 43A of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has formulated a Dividend Distribution Policy and the same is annexed herewith as **Annexure 9**. The Policy is also hosted on the website of the Company and can be viewed at www.praj.net

Investor Education and Protection Fund (IEPF)

Pursuant to the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred unclaimed/ unpaid dividend of Rs.12,21,883/- pertaining to the financial year 2014-15 & Interim Dividend of Rs. 15,25,700/- for the financial year 2015-16 to IEPF, on 21st September 2022 & 12th May, 2023 respectively. Further, the Company has also transferred corresponding 17,044 shares pertaining to the financial year 2014-15 to IEPF on 14th October 2022. The transfer of 36,374 shares pertaining to unclaimed dividend for the financial year 2015-16 is under process.

Details of Nodal Officer

Mr. Dattatraya Nimbolkar, Chief Internal Auditor and Company Secretary has been appointed as Nodal Officer of the Company. Details in this regard are available on the website of the Company at www.praj.net

Reserves

The Company is not proposing any transfer to the General Reserve for the year 2022-23.

Credit Rating

a) CRISIL has re-affirmed "A1+" rating to the Company's short-term banking facilities which signifies that the degree of safety regarding timely payment of instruments is very strong.

b) CRISIL has also re-affirmed its rating of the Company's long-term bank facilities to "AA/stable'.

The "AA/Stable" rating signifies high safety with regard to timely payment of long-term financial obligations.

Subsidiaries

Praj Engineering & Infra Ltd. India, Praj HiPurity Systems Ltd. India, Praj Americas Inc., U.S.A., Praj Far East Co. Ltd., Thailand, Praj Far East Philippines Ltd. Inc., The Philippines, continue to be subsidiaries of your Company.

During the year, Company has formed Wholly Owned Domestic Subsidiary, Praj GenX Ltd. India, on 15th March, 2023.

Consolidated Financial Statements of the Company, which include the results of the said Subsidiary Companies, except Praj GenX Ltd., are included in this Annual Report. Since Praj GenX Ltd. has not yet started its operations, consolidation of its Financial Statements is not done. Further, a statement containing the details of performance, financial position for each of the Company's subsidiaries in the prescribed format AOC-1 is also enclosed (**Please refer Annexure 6**). Copies of Annual Accounts and related detailed information of all the subsidiaries can also be sought by any member of the Company or its Subsidiaries by making a written request to the Company Secretary at the Registered Office of the Company in this regard. The Annual Accounts of the Subsidiary Companies are also available for inspection at the Company's and/or the concerned Subsidiary's Registered Office.

The Company has formulated a policy for determining 'material subsidiaries' and such policy is hosted on the Company's website i.e. www.praj.net

Corporate Governance

Pursuant to the provisions of Regulation 34 (2) & (3) and 53(f), read with Schedule V to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis Report (**Annexure 1**), Report on Corporate Governance and Compliance Certificate on Corporate Governance (**Annexure 3**), Business Responsibility & Sustainability Report (BRSR) (**Annexure 8**), Dividend Distribution Policy (**Annexure 9**) are annexed to this report.

Directors

Ms. Parimal Chaudhari (DIN 00724911) retired at 36th Annual General Meeting held on 4th August, 2022 and was re-appointed as Director of the Company.

Ms. Parimal Chaudhari (DIN 00724911) will retire at 37th Annual General Meeting and being eligible, has offered herself for re-appointment as Director of the Company.

Members at 36th Annual General Meeting held on 4th August, 2022 had approved extension of tenure of Dr Pramod Chaudhari (DIN 00196415) as an Executive Chairman for a period of 29 months w.e.f 1st August, 2022 till 31st December, 2024.

Members at 36th Annual General Meeting held on 4th August, 2022 had approved extension of tenure of Mr. Sachin Raole (DIN 00431438) as CFO & Director-Resources for a period of 5 years w.e.f 1st August, 2022 till 31st July, 2027.

Based on the recommendation of Nomination & Remuneration Committee, Board at its meeting held on 3rd February, 2023, has approved re-appointment of Mr. Shishir Joshipura (DIN 00574970) as a CEO & Managing Director for a period of 27 months w.e.f 1st April, 2023 till 30th June, 2025, subject to approval of Shareholders at 37th Annual General Meeting.

Based on the recommendation of Nomination & Remuneration Committee, Board vide Circular Resolution No. CIR/BM/01/2023-24, has approved re-appointment of Dr Shridhar Shukla (DIN 00007607) as an Independent Director of the company for a further period of 5 years w.e.f 12th April, 2023 till 11th April. 2028, subject to approval of Shareholders at 37th Annual General Meeting by way of Special Resolution.

Composition of Key Managerial Personnel (KMP)

The Company has the following KMPs as on 31st March 2023;

Name of the KMP	Designation	Date of Appointment	Date of Resignation
Dr Pramod Chaudhari	Executive Chairman	08.11.1985	N.A.
Mr. Shishir Joshipura	Chief Executive Officer & Managing Director	02.04.2018	N.A.
Mr. Sachin Raole	CFO & Director- Resources	13.07.2016	N.A.
Mr. Dattatraya Nimbolkar	Chief Internal Auditor & Company Secretary	22.07.2011	N.A.

Composition of Audit, Nomination & Remuneration Committee

For details, kindly refer the Corporate Governance Report annexed to this Report (**Annexure 3**).

Declaration from Independent Directors

The Independent Directors have submitted their annual declaration to the Board confirming that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 read with rules framed there under.

Auditors

a) Statutory Auditors

Current tenure of P G BHAGWAT LLP, Chartered Accountants, Pune (Firm Regn. No. 101118W/W100682), Statutory Auditors of the Company will expire on the date of 39th Annual General Meeting to be held in the calendar year 2025.

b) Internal Auditors

The Internal Auditors, Khare Deshmukh & Co., Chartered Accountants, Pune have conducted internal audits periodically during Financial Year 2022/23 and submitted their reports to the Audit Committee.

Their reports have been reviewed by the Statutory Auditors and the Audit Committee.

The Board has appointed Khare Deshmukh & Co., Chartered Accountants Pune, as Internal Auditors of the Company for the Financial Year 2023-24.

c) Cost Auditors

Your Company has appointed Dhananjay V. Joshi & Associates, Cost Accountants as Cost Auditors of the Company for the Financial Year 2023-24 at the remuneration as set out in item No. 5 of the explanatory statement which is subject to the ratification of members in the ensuing Annual General Meeting.

d) Secretarial Auditors

M/s KANJ & Co., LLP, Pune, were appointed to conduct the Secretarial Audit of the Company for the Financial Year 2022-23, as required under Section 204 of the Companies Act, 2013 read with rules framed thereunder. The Secretarial Audit Report (MR-3) for Financial Year 2022-23 forms part of the Annual Report as **Annexure 5**.

The Board has appointed M/s KANJ & Co. LLP, Pune, as Secretarial Auditors of the Company for the Financial Year 2023-24.

Material changes and commitments, if any, affecting the financial position of the Company those occurred between the end of the financial year to which these financial statements relate and the date of the report:

There were no material changes and commitments, affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of the report.

Statement concerning development and implementation of Risk Management Policy of the Company.

In accordance with the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, (LODR) the Board has amended Risk Management Policy and initiated necessary steps for framing, implementing and monitoring the risk management plan for the Company.

Based on market capitalization rank as on 31st March 2023, provisions of Regulation 21 of SEBI (LODR), Regulations 2015, as amended from time to time, are applicable to the Company for the Financial Year 2023-24. As per amended Regulation 21 of SEBI LODR Regulations, it is mandatory for the Company to constitute Risk Management Committee. However, Company had already constituted Risk Management Committee at its Board Meeting held on 16th May 2019.

The main objective of Risk Management policy is to ensure sustainable business growth and to promote a pro-active approach in identifying, reporting, evaluating and mitigating risks associated with the business of the Company.

The policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

In today's challenging and competitive environment, strategies for mitigating inherent risks associated with business and for accomplishing the growth plans of the Company are imperative. The common risks inter alia are risks emanating from; Regulations, Cyber Risks, Competition, Business, Technology obsolescence, Investments, Retention of talent, Finance, Politics and Fidelity etc. In today's complex business environment, Cyber risks have considerably increased. During the year, we continued our efforts to keep ourselves up to date with cyber security events globally to achieve higher compliance and its continued sustenance.

As a matter of Risk Management Policy, these risks are assessed and steps, as appropriate, are taken to mitigate the same.

The Amended Risk Management Policy is hosted on the Company's website i.e.www.praj.net

The Company has instituted adequate Internal Controls and processes to have a cohesive view of risks, optimal risk mitigation responses and efficient management of internal control and assurance activities.

In the opinion of the Board, there are no risks which may threaten the existence of the Company.

Internal Financial Controls:

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

Remuneration Policy for Directors and KMPs:

The Company's remuneration policy for Directors / KMPs is directed towards rewarding performance based on periodical review of achievements. The remuneration policy is in consonance with the existing industry practice.

The said policy is available on Company's website i.e. www.praj.net and is also attached as **Annexure 7** to this report.

ESOP:

During the year, your Company allotted 40,000 shares on exercise of options under the Employee Stock Option Plan 2011. Consequent to the above, the Issued, Subscribed and Paid-up Share Capital of your Company increased from 183,673,088 (number of shares) (Value Rs.367.346 Mn.) as of 31st March, 2022 to 183,713,088 (number of shares) (Value Rs.367.426 Mn.) as of 31st March, 2023.

Please refer **Annexure 4** to this report for the particulars required to be disclosed pursuant to Rule 12 (2) of the Companies (Share Capital and Debentures) Rules, 2014 and Clause 14 of SEBI (Share Based Employee Benefits) Regulations, 2014.

Vigil Mechanism / Whistle Blower Policy:

To ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behaviour, the Company has adopted a Vigil Mechanism/ Whistle Blower Policy. This policy is explained in Corporate Governance Report and is also hosted on the website of Company at www.praj.net.

Details of policy developed and implemented by the Company on its Corporate Social Responsibility initiatives:

Kindly refer **Annexure 2** to this Report.

Particulars of loans, guarantees or investments made under section 186 of the Companies Act, 2013:

Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report. (Please refer Note No 5 & 26 to the Standalone Financial Statements).

Contracts and arrangements with Related Parties:

All contracts / arrangements / transactions entered by the Company during the Financial Year 2022-23 with related parties were in the ordinary course of business and on an arm's length basis. Such transactions form part of the notes to the financial statements provided in this Annual Report. (Please refer Note No 29 to the Standalone Financial Statements).

During the year, the Company has not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions which is available on the Company's website at www.praj.net

The information in respect of Related Party transactions is given below.

FORM 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 arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis;

   N.A. as there were no transactions during the year which were not at arm's length.

2. Details of material contracts or arrangement or transactions at arm's length basis;

   During the financial year 2022-23, all the transactions entered into with related parties were at arm's length. Also, these transactions were not material.

Performance Evaluation:

Regulation 4 (2) (f) (ii) (9) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 mandates that the Board shall monitor and review the Board evaluation framework annually. Also, the Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual Directors. In addition, Schedule IV to the Companies Act, 2013 states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated. The Board works with the Nomination & Remuneration Committee to lay down the evaluation criteria for the performance of Executive / Non-Executive / Independent Directors.

Independent Directors have three key roles -Governance, Control and Guidance. Some of the performance indicators based on which the Independent Directors are evaluated include:

a) Ability to contribute to and monitor the Company's Corporate Governance practices.

b) Ability to contribute by introducing international best practices to address top-management issues.

c) Active participation in medium to long-term strategic planning.

d) Commitment to the fulfillment of Directors' obligations and fiduciary responsibilities, which include participation in the Board and the Committee Meetings.

In pursuance of the above, the Company has devised a policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors.

The evaluation of all the Directors, Committees and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The Board approved the evaluation results as collated by the Nomination & Remuneration Committee, at its meeting held on 25th May, 2023.

Explanation or comments on qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors and the Secretarial Auditors in their reports:

There were no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors and Secretarial Auditors in their report.

Extract of Annual Return:

As per Companies (Amendment) Act, 2017, effective from 28th August, 2020, Company is not required to disclose Extract of Annual Return (MGT-9) in the Directors' Report. Further, Company is required to place copy of Annual Return on its website and web-link of Annual Return is required to be given in the Directors' Report. Accordingly Annual Return (Form MGT-7) for the financial year 2022-23 is available on the website of the Company at www.praj.net.

Number of Board Meetings conducted during the year under review:

The Board met four times during the financial year (two meetings through video conferencing and two meetings through physical mode), the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time.

Directors' Responsibility Statement:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement as follows for Financial Year 2022-23:

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.

(b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.

(c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

(d) the Directors have prepared the annual accounts on a going concern basis.

(e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Details in respect of frauds reported by auditors under sub-section (12) of Section 143 other than those which are reportable to the Central Government:

During the year, there was no such incidence of fraud reported by Statutory Auditors to the Management.

Deposits:

The Company has neither accepted nor renewed any deposits during the year under review and also did not have any outstanding deposits at the end of the year.

Remuneration ratio of the Directors / Key Managerial Personnel (KMP) / Employees:

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company and Directors is furnished hereunder:

Sr. No.	Name	Designation	Remuneration paid FY 2022-23 Rs. Mn.	% increase/ (Decrease) in remuneration over FY 2021-22	Ratio of the remuneration of each Director to median remuneration of employees.
1	Dr Pramod Chaudhari	Executive Chairman	97.661	27%	79.2
2	Mr. Shishir Joshipura	CEO & Managing Director	57.978	27%	47.0
3	Mr. Sachin Raole	CFO & Director- Resources	27.104	36%	22.0

Sr. No.	Name	Designation	Remuneration paid FY 2022-23 Rs. Mn.	% increase/ (Decrease) in remuneration over FY 2021-22	Ratio of the remuneration of each Director to median remuneration of employees.
4	Mr. Dattatraya Nimbolkar	Chief Internal Auditor & Company Secretary	10.060	8%	8.2
5	Mr. Berjis Desai	Non- Executive Independent Director	3.000	20%	2.4
6	Ms. Parimal Chaudhari	Non- Executive Director	2.400	20%	1.9
7	Mr. Sivaramakrishnan Iyer	Non- Executive Independent Director	2.700	20%	2.2
8	Ms. Mrunalini Joshi	Non- Executive Independent Director	0.800	23%	0.6
9	Dr Shridhar Shukla	Non- Executive Independent Director	1.000	25%	0.8
10	Mr. Suhas Baxi	Non- Executive Independent Director	0.900	13%	0.7

The median remuneration of employees of the Company during the financial year was Rs. 1.234 Million. In the financial year 2022-23, there was an increase of around 5% in the median remuneration of employees.

There were 1063 permanent employees on the rolls of Company as on 31st March, 2023.

Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e., 2022-23 was around 9% whereas the managerial remuneration for the same financial year increased by around 28%.

The key parameters for the variable component of remuneration paid to the Directors are considered by the Board of Directors based on the recommendations of Nomination and Remuneration Committee as per the Remuneration Policy for the Directors, Key Managerial Personnel and other Employees.

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Particulars of employees:

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, duly amended, in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Annual Report, excluding the aforesaid information, is being sent to all the members and others entitled to receive it. Any shareholder interested in obtaining such particulars may write to the Company Secretary.

Details of significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future:

There were no such events that occurred during the Financial Year 2022-23.

Prevention of Sexual Harassment Policy:

The Company has in place Prevention of Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All Women employees (permanent, contractual, temporary, trainees) are covered under this policy.

The Company has constituted Internal Committee as per the aforesaid Act.

The following is a summary of Sexual Harassment Complaints received and disposed during Financial Year 2022-23, under the aforesaid Act:

No of Complaints pending at the beginning of the year : Nil

No. of Complaints received : 1

No. of Complaints disposed of : 1

No. of Complaints pending as on 31st March 2023 : Nil

Energy Conservation, Technology Absorption, Adaptation, Innovation:

As continued efforts towards Decarbonisation of transportation sector, Globally Low Carbon Ethanol production is need of an hour and PRAJ has developed technology solutions focusing on reduction of carbon intensity (CI) approaching towards net zero emission. Low CI ethanol also helps customers in improving profitability and addressing the market requirements for advanced biofuels like Sustainable Aviation Fuel etc.

Four out of the ten principles used for such assessment fall perfectly within our sphere of influence. These are given below:

- Continuous efforts for reduction of Carbon intensity for production of renewable Fuels, Chemicals.
- Use of technologies that minimize overall water and energy consumption.
- Value maximization by exploring technology for creation of value added coproducts (High Protein DDGS)
- Compliance to all applicable safety, health and environmental regulations.

Praj Technology and Engineering Group has their focus on the designing and engineering of plants and machinery and processes that minimize consumption of energy and water. The plants are designed to meet regulatory norms of environment, health and safety and thereby reduce customers' compliance risks.

Our Business Sustainability Systems monitor the critical norms demonstrating that every new generation plant beats the previous benchmarks of yield, consumption of water, energy and effluents.

Infusing Sustainability principles into design and engineering of plants and machinery and providing sustainability solutions to the customers is of prime significance. Number of technologies developed during Financial Year 2022-23 is as under,

- **Energy Integration (EI):** Advanced energy integration technology using 'pressure booster technique' for 80% reduction of thermal energy requirement in Distillation, Dehydration and Evaporation section.
- **Process Integration (PI):** Thin stillage from starch based plants is rich source of energy but difficult in digestion due to high Nitrogen and Sulphate contents. PRAJ has developed technology for maximization of biogas production from thin stillage which can be integrated to reduce thermal energy requirement for plant.
- **Process optimization (PO):** Wet cake is a rich source of fiber. Conversion of Fiber to ethanol for 6-7% higher alcohol yield and high protein DDGS production.

  Implementation of all above technologies (EI+PI+PO) will help customers to achieve 45% reduction in greenhouse gas emissions.
- **Co-product maximization:** For corn based plant, corn fractionation technology for production of Hi-protein DDGS and corn oil recovery techniques helps to maximize profitability. PRAJ is working with different technology approach to meet this customer need.
- **RenGas Technology:** Advanced and efficient bioprocess for production of bio-methane from industrial waste and agri-reside namely press mud, rice straw, cotton stalk, Empty fruit bunch etc.
- **enfinity Technology:** Ultra low Carbon- Lignocellulose Ethanol technology developed in PRAJ R & D center is now under execution and optimization of steam, water, chemical and enzyme consumption with further improvement of GHG savings.
- **Cellunity Technology:** Ultra low carbon-Softwood to ethanol technology has been developed with unique wet and dry SO2 pretreatment and being offered in European market.
- **Sustainable Aviation Fuel (SAF):** For de-carbonization of aviation industry, from sugary feedstock SAF will be produced via ASTM approved Alcohol to Jet (ATJ) pathway.

Key Highlights for Financial Year 2022-23:

1. During this financial year, your company has successfully demonstrated IBA dehydration, Bio-methanated spent wash advanced treatment technology.

2. The first plant using enfinity technology for production of ultra low carbon from cellulosic feedstock has been mechanically completed and ready for commissioning.

3. Execution of FEL orders based on low CI energy integration technologies in USA.

4. Successful first commercial test flight on the SAF sample produced in PRAJ Matrix.

5. Lignocellulosic ethanol Alcohol is produced using enfinity technology.

6. Executing front end engineering design orders for low CI energy integration technology.

7. In the year gone by, the Company was granted One (1) Indian and Eight (8) International patents brining the total to Twenty Five (25) granted Indian patents and Seventy Three (73) granted International patents and over 300 patent applications till date.

   Total number for patent is less due to :

   - Expiry of 3 Indian Patents (after completion of 20 years)
   - Abandonment of 3 International and 1 Indian Patents.

Foreign Exchange Earnings & Outgo:

(₹ Mn.)

Particulars	**31/3/2023**	31/3/2022
Earnings	**5,209**	3,395
Outgo	**2,896**	1,711
Net Foreign Exchange Earnings	**2,313**	1,684

Your Company has retained its status as a net forex earner consecutively for past 25 years.

Acknowledgements:

Your Directors wish to place on record their appreciation towards all associates including Customers, Collaborators, Government Agencies, Bankers, Suppliers, Shareholders, Auditors, Employees and others who have reposed their confidence in the Company.

For and on behalf of the Board of Directors

Place: Pune
Date: 25/05/2023

Dr Pramod Chaudhari
Executive Chairman

ANNEXURE 1
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Overview

Your company, Praj Industries (Praj), is a Global leader providing solutions spanning across Biofuels, Biomaterials, Energy Transition & Climate Action, Critical Process Equipment & Modularization, High Purity Water Systems, Brewery & Beverages, and Zero Liquid Discharge Systems. With its motto of innovate, integrate and deliver, Praj's solutions have spanned Energy, Environment, Pharma and a wide cross section of process industry. Built over last four decades, 1000+ customer references spanning 100+ countries are a testimony of Praj's prowess.

Bioeconomy has emerged as a promising pathway for sustainable climate action. Your company is the flag bearer of bioeconomy in India. Bio-Mobility™ and Bio-Prism™ are mainstays of Praj's initiatives in bioeconomy. Deep understanding of various biobased feedstock, expertise in developing technologies to process them for securing variety of sustainable products is bedrock of Praj's business. Bio-Mobility™ technology platform for producing biofuels solutions and Bio-Prism™ technology portfolio for production of renewable chemicals and materials are the mainstays of Praj's contribution to the global Bioeconomy.

Sustainability is the core value of Praj, and all its R&D initiatives are aimed at reducing energy, carbon and water footprints while maximizing the plant yields. Your company has proven expertise in core process technologies, i.e. Fermentation and Distillation, that enables us to develop innovative solutions. Your company also has developed the unique capability of conceptualizing, engineering & manufacturing modular packages. This helps in optimizing the project timelines and minimize plant installation related risks. Understanding stated and unstated market needs is at the root of developing innovative solutions that help customers secure better financial performance. Your Company delivers value to customers with its unique TEMPO (Technology, Engineering, Manufacturing, Project Management and Operations) model.

In addition to its own technology development, Praj has built strategic collaborations with global technology leaders. These are in the areas of co- developing and integrating complementary technologies, for creating unique customer value propositions.

The world is witnessing climate adversities all around the world. Studies show that there is substantial rise in extreme weather events and climate calamities in the first two decades of current millennium as against last two decades of previous millennium. May 2023 report of World Meteorological Organization has estimated weather and climate related disasters as USD 4.3 trillion and human casualties over 2 million in last five decades. This has further precipitated need for sustainable climate action to curb greenhouse gas emissions.

The Race to Zero campaign towards carbon neutrality has gained strong momentum with several nations and global conglomerates announcing the roadmap to achieve net zero target. Transition to cleaner and greener alternatives from fossil-based energy sources has emerged as a promising pathway for achieving Net Zero.

With innovative technology solutions in Bioeconomy and strong capabilities in modularization of processes your Company is well positioned to address opportunities arising in the energy transition field.

FY 2022-23 was very exciting year for your company. Inauguration of our ambitious 2G ethanol plant at IOCL Panipat, commissioning of rice straw based high yield CBG project, execution activities at their optimal levels throughout the year, decision to set up new manufacturing facility and demo plant for bioplastic are the key highlights of the year. Though the challenges around volatile commodity prices, global inflation, supply chain imbalance existed for major part of FY 2022-23, your Company successfully stayed on course with continued focus on customers combined with our technology prowess and increasing favorable business environment.

Business Snapshot

Bioenergy

Your Company's Bioenergy portfolio comprises of technology solutions for:

- **Conventional Biofuels:** 1st generation also knows as low carbon ethanol produced from Sugary & Starchy feedstock.
- **Advanced biofuels:** 2nd generation, getting recognized as ultra-low carbon ethanol and Renewable Natural Gas (RNG)/ Compressed Biogas (CBG)
- **Next Gen biofuels:** Sustainable Aviation Fuel (SAF)
- **Future biofuels:** Biohydrogen

Praj's Bio-Mobility™ platform of technologies envisages utilization of Bio based feedstock and organic waste for production of low carbon renewable transportation fuels across all modes of mobility i.e., Surface, Air and Marine. Bio-Mobility™ platform comprises of Biofuels both in liquid as well as gaseous form. Biofuels are produced using bio-based feedstock such as sugary (C molasses, B molasses, sugar syrup etc.), starchy (damaged/ surplus grains) and cellulosic (agri residues and biomass).

1st Generation (low carbon) Ethanol: Domestic

Ethanol blending program is helping achieve several objectives; Reducing the country's dependence on crude oil imports, cutting carbon emissions to help conserve environment and boosting farmers' income for inclusive growth.

India's EBP 20 program is progressing as planned. To meet the 20% EBP target along with other industrial applications, India needs to have ~17 billion liters of ethanol production capacity. Over and above the EBP 20 targets, OMCs have floated Expression of Interest (EOI) for building additional capacity of 3 billion litres for 8 ethanol deficit states viz. Tamil Nadu, Kerala, Andhra Pradesh, Telangana, Gujarat, Rajasthan, Goa, Odisha, and Union Territories of Jammu & Kashmir and Ladakh. This will create an additional potential opportunity of around Rs. 40 billion.

During FY 2022-23 Ethanol production capacity addition in India continued its momentum. Around 70% of the new capacity was from plants on starchy feedstock. Currently the ethanol blending in petrol in India has crossed ~12% mark. India currently has the capacity to produce nearly 10 billion litres which is expected to increase it to 12.5 billion litres by late 2023.

In the Union Budget FY 2023-24, Green Growth as a part of Saptarshi priorities has emerged a strong development agenda. Several provisions made in the budget will bolster the nation's bioeconomy and agritech sector in particular. This budget provides INR 35,000 crore for priority capital investments towards achieving India's goal of net zero carbon emission. As a welcome measure for the financially stressed sugar sector, the budget provided a relief of INR 10,000 crore. Sugar mills will be allowed to claim payments made to sugarcane farmers for the period prior to assessment year 2016-17 as expenditure under tax assessment. Several State Governments have started to create supportive policies to drive ethanol production in respective states.

Transportation is the 2nd largest consumer of energy after industry and also the 2nd largest emitter of GHG emissions. Decarbonization of transportation sector is an imperative to meet Nationally determined contributions. India's transportation fuel mix scenario is evolving with inclusion of new age mobility solutions such as Bio-Mobility™. Exclusive biofuels pavilion set up for the first time ever at India Auto Expo held in Delhi in January 2023 is a clear indication of growing acceptability of biofuels transportation. This bodes well for an agrarian economy like India that is blessed with abundant sun, land and agriculture.

Launch of flex fuel vehicles that work with ethanol blend of up to 85% at India Auto Expo is definitive indication of auto OEMs gearing up for reconfiguring their product mix. As a demonstration of how E-mobility and Bio-Mobility™ can coexist, Flexi-Fuel Strong Hybrid Electric concept car was showcased by leading global auto OEM. This car can run on blend of ethanol while onboard charging of batteries to power electric drive trains.

In FY 2022-23, Our domestic bioenergy business has delivered a strong performance with a healthy order book. Around 75% of the orders came for ethanol plants based on the starchy feedstock. Sugar mills are also setting up dual feed plants and are adding starchy feedstock modules to their existing ethanol facility. Our execution activities are at their optimal levels with multiple project sites in different geographies. During the year, your company commissioned its first plant based on the Biosyrup as feedstock. Praj continues to maintain its strong leadership position with share higher than all others combined in domestic market. Our enquiry pipeline is showing a strong continued demand for starchy and sugary feedstock-based ethanol plants.

1st Generation (low carbon) Ethanol: International

Praj has developed unique technologies that can significantly reduce the carbon intensity as well energy footprint of existing ethanol plant. As ethanol producers shift focus to low carbon, Praj's capabilities in energy integration, process integration and process optimization are finding increasing traction in international markets. We have enhanced our reach in Europe, South & North American markets to address this emerging need.

Our state-of-the-art technology solutions enhance the efficiency and sustainability of first-generation bioethanol plants. By optimizing feedstock utilization, minimizing waste, and reducing greenhouse gas emissions, our clients can comply with regulatory requirements and achieve their sustainability objectives.

The US Government passed Inflation Reduction Act (IRA) that has significant provisions of support on advancement of biofuels across different modes of mobility. As a result of this development, low carbon ethanol has emerged as an interesting business opportunity. There are around 200 ethanol plants in the USA that would need to reduce their overall carbon intensity to be eligible for provisions of IRA. Your Company is currently in the process of completing Front End Loading (FEL) studies for several projects, that will help ethanol producers to finalize their investment decisions for deploying our low carbon ethanol technology solutions. Owing to the slowdown in US market, this activity, while developing very healthily, might see little shift in timelines for project finalizations.

With announcement of blending mandates in Canada & Mexico, our market development activities are finding good traction in these markets to generate leads.

In Europe region, we are witnessing potential opportunities for green field 1G projects in non-EU countries. As part of decarbonization strategy, several members of the European Union are increasing the ethanol production to comply with policy mandates e.g., Poland, Czech Republic, France, Hungary have implemented E10 program.

Your Company has adopted a tailored market expansion strategy to establish a strong presence in the different markets which includes targeted marketing efforts, local representation, and customized solutions addressing the unique needs of each country in the region. This approach allows us to effectively engage with potential clients and capture a more significant share of the expanding bioethanol market.

Your Company successfully commissioned Asia's largest single train 510 KLPD syrup to ethanol plant. We have demonstrated the effective impact of our Process Enhancers (PE) solution in Brazil. Both these events will help improve our position as we move forward.

SERVICES BUSINESS

Our strong offering of an entire suite compromising of Enzymes, Yeast and Performance enhancers is finding a high acceptance in the market. Our performance enhancers improve yields, product quality and performance of the plant. These products are formulated using our deep knowledge of microbial biology, chemistry, feedstock, and industrial processes. Praj's performance enhancers are widely used in ethanol plants based on sugary as well as starchy feedstock in over 40 nations. With a view to enhancing our reach and service to customers we are building a strong distributor network in both the domestic and international market.

2nd Generation (ultra-low carbon) Ethanol

Lignocellulosic feedstock i.e., agricultural residue, softwood etc. is available in abundance and biofuels produced from this feedstock provide highest Carbon reduction.

Your Company's first 2G ethanol plant at IOCL Panipat was unveiled by Hon. Prime Minister earlier this year. The plant has been commissioned and we have produced the first ethanol. Our team is now focusing its effort in establishing continuous operations and reliability enhancement of the plant along with the IOCL team. This plant will benefit more than 1,00,000 farmers and is expected to create around 1500 jobs for rural youth. 2G ethanol has higher potential to displace GHG emissions than 1G. This plant alone will help eliminate around 3,20,000 metric ton of CO2 every year which is equivalent to replacing 63,000 cars on road annually. 2G plant will address the serious concerns arising due to stubble burning. The success of this project will pave way for many projects in domestic as well as international markets.

Your Company is also working on two more plants for HPCL and BPCL which are expected to commission in FY 24.

Scientists at Praj Matrix R&D center, continue to finetune intricate technical aspects to further improve commercial viability of enfinty™ technology for 2nd generation ethanol. Specific areas in this regard include- Development of process Integration solutions for both capital and operating cost reduction, co product development viz; CO2, lignosulfonates, bio- bitumen, CBG, Organic fertilizer. Your Company is also leveraging expertise of its partners in various sub systems.

Your Company's association with Sekab for catering to forest residue-based markets in northern Europe is progressing well. We are in advanced discussions with several potential customers in the Nordic region for deployment of Celluniti™ technology jointly developed with Sekab. Demonstration trials have been held successfully at the pilot facility at Sekab for this technology to several interested customers.

Although we continue to be in dialogue with potential developers of 2G projects in Europe, uncertainties owing to prolonged war have added nearly two to three quarters to the decision cycle time. This Russia Ukraine war and Energy Crisis will further propel need for 2G ethanol which is the most sustainable fuel alternative. In the mid to long term, with several nations pursuing energy security based on captive resources, advanced biofuels are expected to find traction. In Europe, passing of Renewable Energy Directive III (RED III) proposal will provide further boost to the demand for 2G ethanol.

Renewable Natural Gas (RNG)/ Compressed Biogas (CBG)

Ecosystem for CBG across the value chain is gradually building up. At the start of the year, the government made an upward revision in the minimum procurement price of CBG. To facilitate entrepreneurs for financial closure of the projects as well as promote setting up CBG Plants, the government announced that the CBG prices will be indexed to the prevalent Re Selling Price (RSP) of CNG in the market.

Development of CBG projects is expected to gain momentum on the back of progressive policies such as introduction of 5% CBG mandate, exemptions in excise duty and GOBARdhan (Galvanizing Organic Bio-Agro Resources Dhan) scheme that envisages 500 new waste to wealth plants. To provide sustained supply of feedstock, financial support for collection of biomass has also been announced.

CBG as an alternative to CNG has been receiving favorable response from consumers. OMCs are also gearing up for distribution and retailing system for last mile connectivity of CBG. Organic manure, the co-product from the plant is gaining acceptance from the farming community & fetching attractive price. This will further enhance project viability of CBG plants. During the year, some major corporates also announced their plans for significant investment in the CBG space.

During FY 2022-23, your Company commissioned two more CBG plants working on industrial effluent and rice straw. Our first rice straw based commercial plant for HPCL has commenced biogas generation and flaring. This high yield plant is now under stabilization and should start the regular dispatch of CBG by the end of third quarter. With this your Company now has CBG projects operating on different feedstocks namely rice straw and press mud, industrial effluent.

Our customers are now seeking solutions for different varieties of agriculture residues. Our R&D is working on a program to find optimal solution for addressing this need. After conducting extensive trials at our demo plant, we are integrating our learnings to enhance scope and performance of our solutions in the field.

With its unique capabilities and learnings from initial projects, your Company is in good position to cater to emerging opportunities in the CBG space.

Sustainable Aviation Fuel (SAF)

Taking Bio-Mobility™ platform forward in the aviation sector, your Company has made significant progress in technology development for production of SAF using biobased feedstock.

Globally civil aviation industry generates approx. 1 billion tons of GHG emissions per year, which is around 2 to 3% of total global emissions. Emissions from the global aviation sector are rising at the rate of 2.5% per year, affecting mankind as a whole. To limit the global warming to 2 deg. C, it is imperative to decarbonize this 'hard to abate' aviation sector, and this requires national as well as international goals/policies. With calls for cleaner skies are getting louder, SAF has emerged as a next big opportunity in the biofuels space.

SAF has similar properties as that of conventional jet fuel, however it leaves lower carbon footprint. It can be produced using sustainable and renewable feedstock such as biomass, sugars, starches, waste lipids and organic waste. SAF is considered as a priority solution to decarbonize aviation in near term due to its high greenhouse gases (GHG) savings potential, availability of sustainable feedstock and rapidly maturing technologies for processing the feedstock to SAF.

The EU & USA have already set aggressive targets for adoption of SAF and other countries are following the course to reduce the carbon footprint of aviation sector. India has a great potential to contribute in SAF by becoming global refueling location.

Your Company has entered strategic partnerships with Gevo, Inc (USA), Axens (France) and IOCL to explore opportunities in the SAF space.

This year, Praj entered into MOU with Axens, France to work jointly on projects in India for production of SAF from low carbon alcohols through Alcohol-to-Jet (ATJ) pathway. Axens will provide its Jetanol™ Alcohol-To-Jet technologies for conversion of alcohols to SAF. Praj brings to the table proven expertise in modularized solutions, integration services for complete project and technology for production of low carbon isobutanol and ethanol from conventional bio-sourced feedstock.

Praj has also partnered with Indian Oil Corporation Limited (IOCL) to explore opportunities to set up plants for production of Alcohol to Jet (ATJ) fuels and other biofuels. As per the MoU, Praj and IOCL will form a joint venture to set up the production facility for SAF. Both Praj and IOCL boards have given go ahead for formation of joint venture.

In a very significant development, your company partnered with AirAsia India and Indian Oil Corporation Limited to fly first commercial flight in India powered by a blend of 'indigenous' SAF. On 19th May 2023, AirAsia India flight i5-767 departed from Pune to New Delhi using a blend of indigenous SAF produced by Praj. Hon. Union Minister of Petroleum and Natural Gas, Hardeep Singh Puri, received this special flight at Delhi airport. The SAF sourced for this initiative was produced by Praj in partnership with Gevo Inc using bio-based feedstock . Praj produced SAF samples in its R&D facility, Praj Matrix, which underwent detailed testing at IOCL laboratories before it was blended for the special flight.

Your Company is exploring innovative technology solutions for production of Biohydrogen from biobased feedstock to align with Flagship National Hydrogen Mission.

Critical Process Equipment & Skids (CPES)

CPES specializes in conceptualizing, engineering & manufacturing of modular process packages and critical equipment for various process plant projects.

Your Company's capability to conceptualize, design and manufacture complex modules is finding increasing acceptance from leading customers across the globe. Modularization has emerged as the growth engine for business with significant growth order intake from leading customers from Oil & Gas and Fertilizers field across the globe.

Your Company created an additional capacity at the Kandla facility to cater to the growing demand. The additional capacity has been fully operational since second half of FY 2022-23.

Energy Transition and Climate Action

Energy Transition and Climate Action (ETCA) has become a strong development agenda globally. Energy giants are investing heavily in various projects to address the growing demand of Low-Carbon fuels. Our ability to Modularize engineering solutions across the technology platforms is helping us to create a significant competitive advantage.

To address the growing opportunity basket from the ETCA agenda, your Company has decided to launch a new subsidiary- Praj GenX Limited. This new business endeavor will focus on developing cutting edge modularized solutions as well as critical equipment by leveraging its multi-disciplinary Engineering strengths through a dedicated "Center of Excellence for Modularization". This business will cater to demands from industries coming under ETCA sectors such as Blue and Green Hydrogen, Carbon Capture, Waste-To-Energy and Low Carbon Fuels etc.

A state-of-the-art new manufacturing facility is being set up near a major port with an investment of Rs. 100 crores. This facility will be able to produce very large equipment and multiple large modules without dimensional constraints. Your company is moving ahead with project development and expects to start commercial production by the fourth quarter of FY 2023-24.

Zero Liquid Discharge Solutions

Your Company offers comprehensive range of solutions for industrial effluent treatment, recycling and zero liquid discharge (ZLD) systems to customers across several sectors namely metals, power, specialty chemicals, fertilizers, refinery & petrochemicals, F&B, etc.

In FY 22-23, we continued to work on execution of one of the largest ZLD projects in India. This prestigious project is nearing mechanical completion. The learnings from this project are being deployed to shape our strategy going forward. Your Company is also strategically focusing on wastewater treatment technologies which will help in reducing the overall carbon intensity.

We are leveraging our core competence in Industrial biotechnology and microbiology to develop advanced technology for treating high COD and high TDS wastewater streams. We are also bringing a modularization approach to our ZLD offerings and have already received the first order for a modularized ZLD system. We are witnessing robust enquiry pipeline across key focus segments such as Metals, Chemicals and F&B sectors.

Brewery & Beverage

Your Company offers customized plants, equipment & technology solutions to customers in the brewing & beverage industry. Praj has proven expertise ranging from engineering and designing to construction of plants and process equipment.

After adversely affected previous year, beer consumption finally crossed the pre pandemic levels in the H2 of FY 2022-23. Hospitality & tourism sectors are peaking up the momentum which has resulted in an increase in beer consumption and hence the upward movement in market demand. Your Company is now witnessing healthy flow of enquiries from India as well as Africa markets and expects the business to get back to its normalcy in FY 2023-24.

Your Company is leveraging its knowledge of hygienic manufacturing and process expertise to expand its offerings for other beverages. As part of this strategy, we are building India's largest Apple juice concentrate plant in Himachal Pradesh. The plant is in the last phase of execution and will be commissioned in the 2nd quarter of FY 2023-24.

Praj HiPurity Systems (PHS)

PHS is a wholly owned subsidiary of Praj. PHS offers high purity water systems (WS), Modular Process Systems (MPS) including fermentation-based solutions to customers engaged in biopharmaceuticals, sterile formulations, complex injectables & nutraceuticals.

As Indian pharma industry transits to global size capacity build in biopharma space, fermentation technologies are set to acquire center stage. There is also a huge interest and potential for creating fermentation-based manufacturing capacity in the country. The geo-strategic position of India, its ability to provide alternative manufacturing eco-system next to China and deep know-how has expanded opportunities for various Indian business houses to foray in building capacity for Biotech led products. Under the PLI scheme, there are more than 20 players looking at setting up fermentation-based manufacturing facilities to cater to emerging demands. In FY 2022-23 PHS took a strategic decision to leverage on parent company's capabilities in fermentation space and develop solutions around high-capacity fermenters. We have received an interesting order for large-size fermenters for the pharma application from Oman apart from 30 Fermenter orders for various emerging & established clients in India.

International business is seeing equal growth opportunities with improved business traction as clients from various regions are increasingly aiming to be self-sufficient in pharma & biologics products especially in the post-covid era. There are 8-10 countries identified in the non-regulated & semi-regulated segments which have strong potential to grow and are focused on by PHS.

During the year, your Company also booked its first order in the Semiconductor sector. This is our first significant contract for COLD WFI system which is based on proven and successful GLACIER™ Technology. Like developed countries, in Indian subcontinent the demand for COLD WFI is expected to grow by significant double digit over the next 3-5 years.

Innovation and R&D

Your Company's focus has always been on expanding its business horizons in bioeconomy by leveraging its technology-led innovative solutions. Your Company is committed to developing innovative solutions to decarbonization and carbon recycling. The guiding principle for R&D is 'Technologies with lowest Carbon intensity and Best in Class'. Praj Matrix, our R&D center, continued its relentless efforts on two programs, "Bio-Mobility™ & "Bio-Prism™." The uniqueness of Matrix is that it develops futuristic technology solutions in the space of renewable fuels and chemicals starting from feed stock to product using unique blend of skills in microbiology, molecular biology, fermentation, chemical catalysis, process engineering and analytical chemistry".

Apart from working on continuous improvement of technologies for existing 1G ethanol, 2G ethanol and CBG businesses for variety of feedstocks, Praj Matrix is committed to the advancement of Sustainable Aviation Fuel (SAF), marine biofuels and Bio-Hydrogen as part of its Bio-Mobility™ platform.

As a part of Bio-Prism™ platform, your Company has been working on technology for production of Bioplastics, an apt sustainable solution to provide alternative to plastics. During the year, Praj Matrix made significant progress on Polylactic acid (PLA) and Polyhydroxyalkanoates (PHA). We have successfully developed end-to-end technology, from feedstock to resin. We are exploring suitable partners for production of these products as well as for application development. To accelerate the commercialization of bioplastics, your company is setting up a first-of-kind pilot cum demo plant for PLA at Jejuri in the outskirts of Pune with capex of around Rs. 60 crores. This pilot facility will be initially used for scaled production of Lactic Acid and lactide & subsequently for other products like PHA or other fermentation-based products like Butadiene.

We are also setting up a "Multipurpose catalysis lab" that will need an investment of around INR 16 crore. This lab is an important element to combine biology with Chemistry & Catalysis science. In this catalysis lab we shall be exploring sustainable aviation fuel technologies starting from fermentation products like ethanol and iso butanol. Additionally, this lab will also facilitate our research on biohydrogen technology and use of compressed biogas technologies for biohydrogen production. This facility will be operational by the end of August 2023.

To explore the development of newer applications of biopolymers, we have entered into a Memorandum of Understanding (MoU) with Institute of Chemical Technology (ICT), Mumbai. Praj has set up "Parimal and Pramod Chaudhari Centre of Excellence and Innovation for Biopolymers" (CoEI), with State of the Art laboratory for developing novel methods & standards for biopolymers characterization, processing and modification. Besides enhancing existing usage of biopolymers in medical and cosmetic field, CoEI intends to expand its application in other sectors. These include industries such as packaging, food service, consumer goods, agriculture, textiles, electronics, energy storage etc.

In the year gone by, your Company was granted 25 Indian patents and 73 international patents. Your company filed over 400 international patents till last year.

Manufacturing Capability

Your Company's manufacturing capability is substantiated by a multi-disciplinary engineering team, world-class manufacturing facilities at four different locations with excellent connectivity to ports and highways. These are located at Sanaswadi, Urawade, Wada in Maharashtra and Kandla in (Gujarat).

To address growing opportunity basket from Energy Transition and Climate Actions (ETCA) agenda, your Company is setting up most modern manufacturing facility to be housed into a new subsidiary. The new facility will be set up near a major port with an investment of Rs. 100 crores.

Sanswadi and Kandla facilities are approved by global multinational and EPC companies for supply of equipment and skids. The facilities are accredited with ASME U & U2, R Stamps and NB Registrations.

The ASME BPE compliant facility located at Wada serves clients in the pharmaceutical industry.

With utmost importance to employee safety, all our facilities, including project sites adhere to Health Safety and Environment (HSE) norms.

With concerted efforts in value engineering, manufacturing excellence initiatives and quality programs, your Company is able to enhance productivity and capacity from existing infrastructure. Focus on institutionalizing best industry practices, Zero D program (Zero defect, Zero delay, Zero Deviation) has helped rollout higher volumes of quality products. We have been able to leverage our strong supply chain network and vendor base to optimize delivery. As part of our ESG initiatives, your Company has brought in relentless focus on greening of supply chain by helping our MSME vendor base to upgrade their process and practices.

Digitalization

Your Company makes a continued effort to adopt new technologies that help in process improvements to deliver customer centric solutions. RemoteBridge™ – our unique remote plant monitoring system leverages Industry 4.0 technologies to deliver reliability to customers' plant operations. It helps improve plant performance by providing insights for strategic, tactical and operational level interventions through real time data analytics. We have also taken digitalization initiatives that will help us achieve improved process efficiency and enhanced capacity.

Human Capital

Your Company truly believes that people are at the core of growth and sustainability. To make the organization ready in this phase of growth, your Company has made significant leaps in terms of talent attraction, engagement and retention. The overall focus has always been on skilling-reskilling of talent, explore and implement newer ways of attracting and retaining talent and focus on their wellbeing.

As part of Talent Development and Management, employees were nominated under various ongoing Learning and Development initiatives with an objective of unleashing, developing, accelerating and nurturing talent. To strengthen competencies, your Company has also partnered with reputed educational institutes for industry-academia interface.

The overall economic growth across the bio/engineering space has provided us enormous opportunities to explore unique avenues of talent attraction and retention. We are in the phase of designing exciting career paths through lateral movements across the functions. e.g., we have designed a specialist versus generalist path for Process Engineers with a view to providing them diverse career opportunities as a Subject Matter Expert (SME) or as a Generalist.

At the entry level, we are investing in creating a strong talent pipeline through a structured program for Trainees. We have hired Post Graduate Engineers from premium colleges and designed structured growth paths for them.

Enhancement of Diversity and Inclusion initiatives have been one of the key focus areas. As part of our efforts towards building a Women talent pipeline, we have taken efforts towards hiring of special batch of women (trainees) named as 'Amruta Batch'. To ensure safe working environment for women colleagues, Gender Sensitization Workshops on the provisions of the POSH Act were conducted for all employees and associates of vendor partners, working across different Praj locations.

With a view to provide a seamless employee experience digitalization initiative was taken across the various portfolios of human capital function. With the help of our digitalization partner, your company has automated Employee Data processes and flows to facilitate process transformations. In addition to this, various other technology platforms (applications) / functionalities were launched for the employees to automate the routine workflows and ensure faster decision-making and completion.

Health and Wellness is an important aspect in productivity. As a part of Employee Wellness Initiative different sessions by subject matter experts were organized with focus on mental, emotional and physical health. Employee Health Check-up camps were conducted across all Praj locations for detailed medical examination of all employees. We have introduced a dedicated Helpline for medical assistance and availability of 24X7 ambulance facility across the country. To highlight the importance of workplace safety, several awareness programs were organized in the interest of employees.

On the communication with employees front, periodic webinars, quarterly connect programs, induction programs were conducted to help employees stay abreast with company developments and engage with Chairman, CEO & MD, and the Leadership team. Your Company conducted various employee engagement initiatives like Hi-Tea with Leadership, social and cultural gatherings among others.

Awards & Recognition

In FY 2022-23, Your Company was bestowed with the following awards, certifications, and accolades-

- Bestowed with the prestigious Golden Peacock Award in the Innovative Product and Service category for BIOSYRUP®
- Ranked 2nd in Biofuels Digest's list of 50 Hottest Companies in the Bioeconomy 2023
- Praj tops Fortune India's THE NEXT 500 in Engineering Sector
- Ranked 43rd in the Fortune India's Next 500 – 2023 ranking.
- Bagged 39th Rank among 'Elite 100' published by Dalal Street Investment Journal
- Received Special Supplier Award from Baker Hughes
- Praj won the 'Excellence in Product Innovation & Design 2022' award for its ground-breaking BIOSYRUP® product by Manufacturing Today magazine.
- Praj conferred with 'Climate Action Programme CAP 2.0 Committed Award 2022' By CII - ITC Center of Excellence for Sustainable Development.
- Praj won Best Machinery Manufacturing (Distillery) Award for its contribution to the sugar industry by Bharatiya Sugar

In FY 2022-23 Praj Executive Chairman Dr Pramod Chaudhari received following awards,

- 'Jeevan Sadhana Gaurav' Award 2023 presented by Savitribai Phule Pune University (SPPU) for contributions to advancements of science and technology.
- Prestigious 'Jagatik Marathi Bhushan Award 2023' Jagatik Marathi Mandal for stellar global achievements as first-generation techno entrepreneur

- “Special Industry Recognition Award” at the 6th Edition of Renewable Energy India (REI) Awards 2022 for contributions in growth of renewable energy sector
- “Sustainability Champion of The Year 2022 by Manufacturing Today for advancing cause of sustainable development
- ‘Outstanding Contributor to the Cross-Border Trade’ Award by IACC for greater collaborations in Indo-US business corridor

Future Outlook

Industry and transportation sector are expected to intensify their efforts to minimize carbon emissions and harness greener energy sources to fulfill net zero obligations. Your company has a two-pronged strategy in Bioeconomy viz. Bio-Mobility™ platform of technologies for sustainable decarbonization and Bio-Prism™ portfolio of technologies for carbon recycling. Through these solutions, your Company is making significant contributions for sustainable climate actions.

Energy Transition and Climate Action (ETCA) has emerged as a very important agenda globally. COP 28 Climate Change summit being held in UAE in November 2023 will only accelerate climate action.

Indian economy with strong domestic consumption story, is expected to show resilience amid global recession fear. However, concerns about energy and food security owing to prolonged war in Europe remain. Several leading financial institutions are forecasting slowdown in global economy and associated measures due to fiscal tightening may affect demand cycle. Although under control for now, the latent risk of inflation due to the volatile economic environment needs to be watched. Potential escalation of trade war between USA and China may create global supply chain imbalances with potential effect on commodity pricing.

India’s EBP 20 program is marching ahead of its target. There is clear recognition that biofuels have an increasingly important role to play as they address a multitude of issues across the economic, social and environmental spectrum. The introduction of flex fuel vehicles, ethanol driven power generators, diesel blending program etc. are likely to drive future demand beyond EBP 20.

Demand for Low carbon ethanol in the USA has opened significant opportunities for modernization of old ethanol plants in the country.

The successful demonstration of India’s first commercial flight powered by the blend of indigenous sustainable aviation fuel will accelerate the development of SAF opportunity. As India becomes signatory to CORSIA, mandatory blending of SAF from 2027 in accordance with the agreement will create significant opportunity. The Indian government has plans to come up with mandates on SAF in near future. If we target to blend 1% SAF blending in Jet fuel, India will require around 14 crore litres of SAF/annum.

The successful commissioning of a 2G ethanol plant at IOCL Panipat will certainly help in reinforcing confidence among potential developers across the globe. With the commissioning of HPCL’s rice straw based CBG plant, your company now has references for its CBG technology for a variety of feedstock namely press mud, industrial waste as well as agricultural waste.

The Energy transition and Climate action (ETCA) space has opened an array of opportunities and your company is setting up a modern facility to address the same.

The introduction of modularization to our ZLD offerings has generated interest among our customers and we believe it will help us have a differentiated edge among the competition.

PHS business is capitalizing on parent company’s Fermentation capabilities to explore increasing opportunities in large size- High-Capacity fermenters space.

Overall, we remain very positive on continued development of potential across our bioenergy and engineering businesses. Despite global economic challenges, we expect a favorable business environment aided by stabilized commodity prices and an ever-increasing awareness to decarbonize global economy.

Details of significant changes (change of 25% or more as compared to immediately previous Financial Year), in Key Financial Ratios along with detailed explanation therefor, required vide Part B of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) [Amendment] Regulations 2018:

Ratio	UOM	31-Mar-23	31-Mar-22	Variation	Major reason for variance
Debtors Turnover	Days	79	81	-2%	N.A.
Inventory Turnover	Days	71	126	-44%	Better inventory management and sale of non-moving stock items.
Interest Coverage	Times	N.A.	N.A.	N.A.	N.A.
Current Ratio	Times	1.45	1.44	1%	N.A.
Debt Equity ratio	Times	N.A.	N.A.	N.A.	N.A.
Operating Profit Margin	%	9.19%	8.93%	3%	N.A.
Net Profit Margin	%	7.54%	7.97%	-5%	N.A.
RONW	%	24.09%	19.53%	23%	Increase in profit after tax & revenue and effective asset management

Forward looking Statments:

Statements in this report particularly those which relate to Management Discussion and Analysis describing the Company's future plans, projections, estimates, and expectations may constitute forward looking statements within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

ANNEXURE 2
CSR REPORT

1 A brief outline of the Company's CSR policy including overview of projects or programmes proposed to be undertaken and reference to the weblink to the CSR Policy :-

Praj Industries Limited "PIL" is a socially responsible corporate citizen. PIL recognizes trusteeship as a critical function of an organization in discharging its responsibility towards the society, environment and its resultant ecosystem.

The early start on CSR activities has given PIL a tremendous learning and understanding of how CSR projects should be selected, implemented and sustained. PIL has a separate team dedicated to CSR activities. Along with Praj Foundation (CSR arm of PIL), PIL is engaged in various projects. Many of the themes selected also resonate well with the overall national agenda like Health, Water, Clean India (Swacch Bharat).

PIL is committed to supporting sustainable development through effective interventions at various levels.

To ensure this, PIL shall undertake the following activities:

- Environment Sustainability and Rural Development.
- Healthcare including Preventive health and Eradication of Malnutrition;
- Promotion of Education, Capacity Building, Employment and Gender equality;
- Assistance to Orphanage, Old Age Homes and Differently Abled;
- Training to promote nationally recognized Sports;
- Protecting art and culture.
- Areas covering Relief to underprivileged.

Implementation of CSR Activities

PIL undertakes CSR activities primarily in and around the areas of operation of the Company. PIL executes the CSR activities directly or through Praj Foundation a Charitable Trust having CSR registration number CSR00001195 or appropriate NGOs.

Majority of the CSR funds is expended through Praj Foundation.

The Board approves the Annual Action Plan having the list of CSR activities, eligible expenditure to be incurred on CSR activities, modalities of utilization of funds, implementation schedule, etc. on the recommendation of CSR Committee in the beginning of every financial year.

Monitoring of CSR Activities

PIL has established CSR Committee as per the provision of the Companies Act, 2013. CSR Committee recommends CSR activities to be undertaken by the Company, to the Board as specified in Schedule VII of the Companies Act, 2013 (here in after referred to as "the Schedule VII").

The CSR Committee takes periodical review of CSR Activities carried out during the financial year and report to the Board.

PIL monitors the progress of the CSR project and activities regularly with respect to quality of its implementation, cost and schedule with the same vigour as its business activities.

PIL spends, in every financial year, at least 2 per cent of the average net profits of the Company made during the 3 immediately preceding financial years, in pursuance of the Companies Act, 2013 and rules framed there under for the purposes specified in Schedule VII and also in pursuance of this CSR Policy. Surplus arising out of the CSR activity does not form the part of business profits of the Company.

PIL monitors the progress of the CSR project and activities regularly with respect to quality of its implementation, cost and schedule with the same vigor as its business activities. The impact assessment of its projects are conducted at suitable intervals diligently.

PIL also encourages Personal Social Responsibility (PSR) amongst PRAJites to enhance their social sensitivity by voluntary self-engagement in social activities recognized under Schedule VII. PIL endeavors to undertake activities, not specifically mentioned above, but covered under Schedule VII.

2. The Composition of the CSR Committee:-

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Parimal Chaudhari	Non-Executive Non – Independent Director / Chairperson	3	3
2	Mr. Sivaramakrishnan S. Iyer	Independent Director / Member	3	3
3	Ms. Mrunalini Joshi	Independent Director / Member	3	2

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:-

Composition of CSR Committee : https://www.praj.net/wp-content/uploads/2022/12/Composition-of-CSR-Committee-2022.pdf

CSR Policy : https://www.praj.net/wp-content/uploads/2021/11/csr-policy-062021.pdf

CSR Programmes : https://www.praj.net/wp-content/uploads/2022/12/CSR-Annual-Action-Plan-for-FY-2022-23.pdf

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):-

Not applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Nil

6. Average net profit of the Company for last three financial years:- Rs. 1155.724 Mn.

7. (a) Two percent of average net profit of the company as per section 135(5) : Rs. 23.114 Mn

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

(c) Amount required to be set off for the financial year if any : Nil

(d) Total CSR obligation for the financial year (7a+7b-7c) : Rs. 23.114 Mn

8. (a) CSR amount spent for the financial year: Rs. 31.333 Mn

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135 (5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
3,13,32,837/-	Nil	N.A.	Nil	Nil	N.A.

(b) Details of CSR amount spent against ongoing projects for the Financial Year 2022-23:

Sr. No	Name of the project	Cl. No	Local area (Yes/ No)	Name of the project		Project duration	Amount allocated for the project (In Rs.)	Amount spent in current financial year (In Rs.)	Amount transferred to unspent CSR	Mode of implementation Direct (Yes/ No)	Mode of implementation- through implementing agency	
				State	District						Name	CSR Registration no.
1	Preventive health care among Tribal women in Ambegaon Taluka	I	No	Maharashtra	Pune	3 years	5,58,800	5,58,800	Nil	No	Praj Foundation	CSR00001195
2	Preventive health care among Tribal women in Maval Taluka	I	No	Maharashtra	Pune	3 years	4,39,450	4,39,450	Nil	No	Praj Foundation	CSR00001195
3	Preventive health care among Tribal women in Akkalkuwa Taluka	I	No	Maharashtra	Nandurbar	3 years	8,18,500	8,18,500	Nil	No	Praj Foundation	CSR00001195
4	Providing financial assistance for creating livelihood opportunities in rural areas through Entrepreneurship Development	II	Yes	Maharashtra	Pune, Ahmednagar	3 years	9,14,650	9,14,650	Nil	No	Praj Foundation	CSR00001195
5	Enhancing Foundational Literacy & Numeracy in Maval Taluka	II	No	Maharashtra	Pune	3 years	8,87,809	8,87,809	Nil	No	Praj Foundation	CSR00001195
6	Enhancing Foundational Literacy & Numeracy in Indapur Taluka	II	No	Maharashtra	Pune	3 years	15,91,920	15,91,920	Nil	No	Praj Foundation	CSR00001195
7	Enhancing Foundational Literacy & Numeracy in Ambegaon Taluka	II	No	Maharashtra	Pune	3 years	17,21,096	17,21,096	Nil	No	Praj Foundation	CSR00001195
8	Enhancing Foundational Literacy & Numeracy in Ashram Schools in Purandar Taluka	II	No	Maharashtra	Pune	3 years	6,16,000	6,16,000	Nil	No	Praj Foundation	CSR00001195
9	Empowerment of tribal population and making them self-reliant	III	No	Maharashtra	Palghar	3 years	8,75,536	8,75,536	Nil	No	Praj Foundation	CSR00001195
10	Tree plantation in Koyana-Chandoli corridor	IV	No	Maharashtra	Satara & Kolhapur	3 years	1,91,000	1,91,000	Nil	No	Praj Foundation	CSR00001195
11	Making Cycle friendly Prabhag	IV	Yes	Maharashtra	Pune	3 years	2,82,000	2,82,000	Nil	No	Praj Foundation	CSR00001195
12	Livelihood development among youth	X	No	Maharashtra	Sindhudurg	3 years	2,20,000	2,20,000	Nil	No	Praj Foundation	CSR00001195
	TOTAL						**91,16,761**	**91,16,761**				

(c) Details of CSR amount spent against other than ongoing projects for the Financial Year 2022-23:

Sr. No.	Name of the project	Cl. No.	Local Area (Yes/ No)	Name of the project		Amount spent for the project (in Rs.)	Mode of imple-mentation Direct (Yes/No)	Mode of implementation- Through implementing agency	
				State.	District.			Name.	CSR registration number.
1	Support for Pre Transplant Dialysis of needy patients	i	Yes	Maharashtra	Pune	1,00,000	No	Praj Foundation	CSR00001195
2	Support for machinery for cashew cutting	ii	No	Maharashtra	Sindhudurg	1,23,900	No	Praj Foundation	CSR00001195
3	Support for entrepreneurship development	ii	Yes	Maharashtra	Pune	2,85,108	No	Praj Foundation	CSR00001195
4	Installation of solar water heater panels and electricity panels	ii	No	Maharashtra	Dharashiv	14,00,000	No	Praj Foundation	CSR00001195
5	Support for publication of book on start-up	ii	Yes	Maharashtra	Pune	99,500	No	Praj Foundation	CSR00001195
6	Support for educational activities	ii	Yes	Maharashtra	Pune	10,00,000	No	Praj Foundation	CSR00001195
7	Support for fees of 2 students	ii	Yes	Maharashtra	Pune	90,000	No	Praj Foundation	CSR00001195
8	Sustainable water resources development at Adgaon Jawale	iv	No	Maharashtra	Aurangabad	14,90,245	No	Praj Foundation	CSR00001195
9	Sustainable water resources development at Georai Marda	iv	No	Maharashtra	Aurangabad	18,36,524	No	Praj Foundation	CSR00001195
10	Sustainable water resources development at Satalwadi	iv	Yes	Maharashtra	Pune	30,55,756	No	Praj Foundation	CSR00001195
11	Sustainable water resources development at Pangare	iv	Yes	Maharashtra	Pune	2,50,000	No	Praj Foundation	CSR00001195
12	Sustainable water resources development at Mandede	iv	Yes	Maharashtra	Pune	8,22,000	No	Praj Foundation	CSR00001195
13	Sustainable water resources development at Metpilaware	iv	No	Maharashtra	Pune	3,14,047	No	Praj Foundation	CSR00001195
14	Sustainable water resources development at Devpal	iv	No	Maharashtra	Pune	45,500	No	Praj Foundation	CSR00001195
15	Traffic control to reduce fuel wastage & pollution	iv	Yes	Maharashtra	Pune	2,59,896	No	Praj Foundation	CSR00001195
16	Support for international film festival	v	Yes	Maharashtra	Pune	3,00,000	No	Praj Foundation	CSR00001195
17	Indian Institute of Science Education and Research	ix	Yes	Maharashtra	Pune	20,40,000	Yes	--	CSR00006468
18	IIT Bombay	ix	No	Maharashtra	Mumbai	10,00,000	Yes	--	CSR00007536
19	Institute of Chemical Technology	ix	Yes	Maharashtra	Pune	74,00,000	Yes	--	CSR00006632
	Total					**2,19,12,476**			

(d) Amount spent on Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Rs. 3,03,600/-. Though Impact Assessment is not mandatory, the Company has got it done voluntarily as a good corporate governance.

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) Rs. 31.333 Mn

(g) Excess amount for set off: Rs. Nil, as the Company does not propose to avail any set off of excess amount spent.

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

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) : Nil

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

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

Sachin Raole
CFO & Director - Resources
(DIN: 00431438)

Parimal Chaudhari
Chairperson - CSR Committee
(DIN: 00724911)

Place: Pune
Date: 25/05/2023

ANNEXURE 3
REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on Code of Governance:

Corporate Governance sets forth guidelines for managing and sustaining a transparent, information-oriented culture wherein authority and responsibilities are co-existent and co-extensive. It also provides guidelines on accountability of various positions within the organization. These values govern not only the Board of Directors, but also the management and the employees of the Company. This Governance protects and balances the interests of all stakeholders thereby enhancing shareholder value.

2. Board of Directors (the Board):

a) Composition and Category of Directors:

The Composition of the Board of your Company is a fair mix of Executive, Non- Executive, and Independent Directors, which is appropriate for the size and operations of your Company and is compliant with the applicable rules and guidelines. The strength of the Board was Nine Directors as on 31st March, 2023, comprising of three Whole-time Directors, six Non-Executive Directors. Five of the Non-Executive Directors are Independent Directors. As on the date of this report, all Directors of the Company meet the criteria of maximum number of Directorship as laid down in Section 165 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Details of skills / expertise / competence of Board of Directors:

Pursuant to the requirement of SEBI (LODR) Regulations, 2015, as amended, the Board has identified the following core skills, expertise and competencies of the Directors in the context of Company's business. While all the Board Members possess the skills identified, their areas of core expertise are given below:

Dr Pramod Chaudhari	Global outlook, Research & Development and Innovation, Leadership, Strategic Planning, Business Knowledge, Policy Shaping and Industry Advocacy, Risk Management, Sustainability, and Environment, Social & Governance (ESG).
Mr. Shishir Joshipura	Business Knowledge, Leadership, Strategic Planning, Global outlook, Board Governance, Policy Shaping, Risk Management, Sustainability and Environment, Social and Governance (ESG).
Mr. Sachin Raole	Financial Management, Risk Management, Human Capital Management, Business Knowledge, Sustainability and Environment, Social & Governance (ESG).
Mr. Berjis Desai	Litigation Management, Strategic Planning, Risk Management Policy Shaping and industry Advocacy, Global outlook, Sustainability and Environment, Social & Governance (ESG).
Ms. Parimal Chaudhari	Social Development, Human Capital Management, Strategic Planning, Global outlook, Sustainability and Environment, Social & Governance (ESG).
Mr. Sivaramakrishnan Iyer	Finance & Allied Fields, Mergers & Acquisitions, Strategic Planning, Risk Management, Policy Shaping and Industry Advocacy, Global Outlook, Sustainability and Environment, Social & Governance (ESG).
Ms. Mrunalini Joshi	Business Knowledge, Global outlook, Policy Shaping and Industry Advocacy, Sustainability and Environment, Social & Governance (ESG).
Dr Shridhar Shukla	Digital Competencies, IT reforms, Data Analytics, Strategic Planning, Global outlook, Policy Shaping and Industry Advocacy, Sustainability and Environment, Social and Governance (ESG).
Mr. Suhas Baxi	Business Knowledge, Strategic Planning, Global outlook, Sustainability and Environment, Social and Governance (ESG)

b) Attendance of Directors at Board Meetings, last Annual General Meeting (AGM) and number of other Directorships and Chairmanships / Memberships of Committees of each Director:

Name of Director	Nature of Directorship	Board Meetings attended during the year	Whether attended last AGM held on 4th August, 2022.	Number of Directorships in other Public Limited Companies [2]	No. of Committee Memberships [3]	
					Chairman	Member
Dr Pramod Chaudhari[1]	PD, ED	4	Yes	2	Nil	Nil
Mr. Shishir Joshipura	ED	4	Yes	3	Nil	Nil
Mr. Sachin Raole	ED	4	Yes	2	Nil	2
Mr. Berjis Desai	ID, NED	4	Yes	11	2	3
Ms. Parimal Chaudhari[1]	PD, NED, WD	4	Yes	Nil	Nil	1
Mr. Sivaramakrishnan S. Iyer	ID, NED	4	Yes	2	2	1
Ms. Mrunalini Joshi	ID, NED, WD	2	No	1	Nil	2
Dr Shridhar Shukla	ID,NED	4	Yes	1	Nil	1
Mr. Suhas Baxi	ID,NED	4	Yes	Nil	Nil	Nil

{PD – Promoter Director, ED – Executive Director, ID – Independent Director, NED - Non –Executive Director, WD - Woman Director}

1 Dr Pramod Chaudhari and Ms. Parimal Chaudhari are spouse. None of the other Directors is related to any other director.

2 Excludes private (which are not holding or subsidiary of Public Companies), foreign Companies & Section 8 Companies

3 Memberships / Chairmanship of Audit Committee and Stakeholders' Relationship Committee of Public Companies only have been considered for this purpose.

Information as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is furnished to the Board from time to time.

Names of Listed Companies in which Director holds Directorship and category of Directorship (pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

Sr. No.	Name of the Director	Name of Listed Companies in which Director holds Directorship and category of Directorship.
01	Dr Pramod Chaudhari	Praj Industries Ltd. - Executive Chairman (Executive Director)
02	Mr. Shishir Joshipura	Praj Industries Ltd - CEO & Managing Director (Executive Director)
03	Mr. Sachin Raole	Praj Industries Ltd-CFO & Director – Resources (Executive Director)
04	Mr. Berjis Desai	Praj Industries Ltd.- Independent Director Great Eastern Shipping Company Ltd., Non-Executive Non-Independent Director Jubilant Food Works Ltd - Independent Director Man Infraconstruction Ltd.- Non-Executive Chairman, Non-Independent Director. Nuvoco Vistas Corporation Ltd. - Independent Director Star Health and Allied Insurance Company Ltd., - Independent Director Chambal Fertilizers & Chemicals Ltd., - Independent Director
05	Mr. Sivaramakrishnan S. Iyer	Praj Industries Ltd - Non-Executive - Independent Director The Phoenix Mills Limited - Non-Executive - Independent Director
06	Ms. Parimal Chaudhari	Praj Industries Ltd - Non-Executive Non-Independent Director, Woman Director
07	Ms. Mrunalini Joshi	Praj Industries Ltd - Non-Executive- Independent Woman Director

Sr. No.	Name of the Director	Name of Listed Companies in which Director holds Directorship and category of Directorship.
08	Dr Shridhar Shukla	Praj Industries Ltd - Non-Executive- Independent Director
09	Mr. Suhas Baxi	Praj Industries Ltd - Non-Executive- Independent Director

c) **Number of Board Meetings and Dates :**

Four (4) Board Meetings were held during the financial year 2022-23. The dates are – 25th May, 04th August, 18th October in the calendar year 2022 and 3rd February in the calendar year 2023.

d) **Number of shares and convertible instruments held by Non-Executive Directors as on 31/03/2023:**

Name of Director	Number of Equity Shares held	Stock Options outstanding	Grant Price per option (Rs.)	Last date for conversion of options
Mr. Berjis Desai	1,47,443	Nil	N. A.	N. A.
Ms. Parimal Chaudhari	1,44,00,000	Nil	N. A.	N. A.
Mr. Sivaramakrishnan S. Iyer	60,000	Nil	N. A.	N. A.
Ms. Mrunalini Joshi	869	Nil	N. A.	N. A.
Dr Shridhar Shukla	Nil	Nil	N. A.	N. A.
Mr. Suhas Baxi	Nil	Nil	N. A.	N. A.

e) **Familiarization programme for Independent Directors:**

The Board of Directors of the Company has adopted familiarization program for Independent Directors. The details of such program are posted on the Company's website at: https://www.praj.net/wp-content/uploads/2021/11/Familarisation-Programme-03-02-2023.pdf

This program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company.

f) **Declaration from Independent Directors:**

The Independent Directors have submitted their annual declaration to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 read with rules framed there under.

g) **Confirmation from Board of Directors regarding independence of Independent Directors:**

In the opinion of the Board of Directors, the Independent Directors fulfil the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, and are independent of the Management.

3. Audit Committee:

a. **Terms of Reference:**

The terms of reference of Audit Committee include overseeing the Company's financial reporting process and disclosure of financial information, reviewing with the management, the quarterly and annual financial statements before submission to the Board for approval; reviewing with the management, the performance of Statutory and Internal Auditors and adequacy of internal control systems and all other matters specified under Regulation 18 read with Part C of Schedule II of SEBI LODR Regulations, 2015 and as per Section 177 of the Companies Act, 2013 read with rules framed there under.

b. **Composition:**

As on 31st March, 2023, the Audit Committee of the Company comprises of three Independent Non-Executive Directors namely Mr. Berjis Desai (Chairman of the Committee), Mr. Sivaramakrishnan S. Iyer and Ms. Mrunalini Joshi and one Executive Director namely Mr. Sachin Raole. Composition of the Audit Committee meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended.

c. **Meetings:**

This Committee met four times during the financial year 2022-23 i.e. 25th May, 04th August, 18th October in the calendar year 2022 and 3rd February in the calendar year 2023.

Attendance of each Member at the Audit Committee meetings held during the year:

Name of Director	No. of Meetings entitled to attend	Meetings attended
Mr. Berjis Desai	4	4
Mr. Sivaramakrishnan S. Iyer	4	4
Mr. Sachin Raole	4	4
Ms. Mrunalini Joshi	4	2

In addition to the members of Audit Committee, Executives of Accounts Department, Secretarial Department and Representatives of the Statutory, Cost and Internal Auditors attended the Audit Committee Meetings. Senior Functional Executives are also invited as and when required, to provide necessary inputs to the Committee. The Company Secretary acts as the Secretary of the Audit Committee.

4. Nomination & Remuneration Committee:

a. **Terms of Reference:**

The Nomination & Remuneration Committee has been constituted to recommend / review the remuneration of Executive Directors of the Company, to identify persons who are qualified to become Directors and who may be appointed in Senior Management and to carry out such other duties and functions as stipulated in Section 178 of the Companies Act, 2013 read with rules framed thereunder and Regulation 19 read with Part D of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and further amendments thereto. The Nomination & Remuneration Policy of the Company is attached as **Annexure 7** to the Directors' Report.

b. **Composition:**

As on 31st March, 2023, the Nomination & Remuneration Committee of the Company comprises of three Non-Executive Directors namely Mr. Berjis Desai (Non-Executive Independent Director, Chairman of the Committee), Mr. Sivaramakrishnan S. Iyer (Non-Executive Independent Director) and Dr Shridhar Shukla (Non-Executive Independent Director) and one Executive Director, Dr Pramod Chaudhari.

c. **Meetings:**

This Committee met twice during the financial year 2022-23 i.e. on 25th May, in the calendar year 2022 and 3rd February in the calendar year 2023.

Attendance of each Member at the Nomination & Remuneration Committee meetings held during the year:

Name of Director	No. of Meetings entitled to attend	Meetings attended
Mr. Berjis Desai	2	2
Mr. Sivaramakrishnan S. Iyer	2	2
Dr Pramod Chaudhari	2	2
Dr Shridhar Shukla	2	2

d. **Performance Evaluation Criteria for Independent Directors:**

Reference please be made to the Directors' Report wherein information regarding Performance Evaluation has been provided.

5. Remuneration Policy :

The Remuneration Policy of the Company takes into account the individual performance and contribution of the Director, the profitability of the Company, prevalent industry standards and government policy in this regard.

The Policy is displayed on Company's website i.e. https://www.praj.net/wp-content/uploads/2021/11/nomination-and-remuneration-policy.pdf

(a) Remuneration of Executive Directors:

The aggregate value of Salary & Perquisites including commission for the year ended 31st March, 2023 to the Executive Directors is as follows:

Dr Pramod Chaudhari, Executive Chairman Rs 97.661 Mn. (Salary Rs 66.261 Mn, Perquisites Rs. 0.800, Commission & Variable Pay Rs 30.600), Mr. Shishir Joshipura, CEO & Managing Director Rs. 57.978 Mn (Salary Rs. 38.984 Mn, Perquisites Rs. 0.040 Mn, Commission and variable pay Rs.18.954 Mn.), Mr. Sachin Raole, CFO & Director – Resources Rs. 27.104 Mn. (Salary Rs. 15.914 Mn., Perquisites Rs. 0.023 Mn, Commission and Variable pay Rs. 11.167 Mn.). Besides this, the Executive Directors are also entitled to gratuity and encashment of leave, as per the rules of the Company.

The current tenure of office of the Executive Chairman is for a period of 29 months w.e.f 1st August, 2022 till 31st December, 2024. As per agreement, Severance Fee is restricted to 29 months' salary.

The current tenure of office of the CFO & Director – Resources is for a period of 5 years w.e.f 1st August, 2022 till 31st July, 2027. As per agreement, notice period is six (6) months.

Based on the recommendation of Nomination & Remuneration Committee, Board at its meeting held on 3rd February, 2023, has approved re-appointment of Mr. Shishir Joshipura (DIN 00574970) as a CEO & Managing Director for a period of 27 months w.e.f 1st April, 2023 till 30th June, 2025, subject to approval of Shareholders at 37th Annual General Meeting.

Under ESOP 2011 Grant XI, 75,000 and 25,000 options were granted to Mr. Shishir Joshipura and Mr. Sachin Raole respectively at Rs. 90/- per option.

This scheme is valid up to 31st December 2024.

(b) Compensation to Non – Executive Directors:

As a policy, the Company does not pay any sitting fees to Directors for attendance of the Meetings. The commission on profit is payable to Non-Executive Directors on the basis of their time and contribution. The criteria of making payments to Non-Executive Directors are disclosed in the Nomination & Remuneration Policy which forms part of this report.

The shareholders of the Company had, in the 28th Annual General Meeting held on 28th July, 2014, approved payment of commission on profits to Non – Executive Directors up to a limit of 3% of the net profit of the Company calculated in accordance with the provisions of the Companies Act, 2013. The Board of Directors is authorized, within this limit, to decide the quantum and the recipients for such payment.

The Commission to Non – Executive Directors for 2022-23 is Rs. 10.800 Mn. The details are as follows:

Mr. Berjis Desai Rs. 3.000 Mn, Ms. Parimal Chaudhari Rs. 2.400 Mn., Mr. Sivaramakrishnan S. Iyer Rs. 2.700 Mn, Ms. Mrunalini Joshi Rs.0.800 Mn, Dr. Shridhar Shukla Rs. 1.000 Mn and Mr. Suhas Baxi Rs. 0.900 Mn

The Non-Executive Directors have no pecuniary relationship or transaction with the Company other than commission paid to them.

6. Other Committee Meetings:

6.1 Stakeholders' Relationship Committee:

a. Composition:

As on 31st March, 2023, the Stakeholders' Relationship Committee of the Board comprises of three Directors namely Mr. Sivaramakrishnan S. Iyer, Non- Executive Independent Director (Chairman of the Committee), Mr. Sachin Raole, Executive Director and Ms. Parimal Chaudhari Non-Executive Non-Independent Director.

b. Name and Designation of Compliance Officer:

Mr. Dattatraya Nimbolkar, Chief Internal Auditor & Company Secretary acts as a Compliance Officer.

c. Number of Complaints:

During the year the Company received 2 complaints which were duly attended to. No investors' complaint is pending as on 31st March, 2023. All the complaints were solved to the satisfaction of shareholders.

d. Meetings:

This Committee met four times during the financial year 2022-23. The dates are – 25th May, 04th August, 18th October in the calendar year 2022 and 3rd February in the calendar year 2023.

Attendance of each Member at the Stakeholders' Relationship Committee meetings held during the year:

Name of Director	No. of Meetings entitled to attend	Meetings attended
Mr. Sivaramakrishnan S. Iyer	4	4
Ms. Parimal Chaudhari	4	4
Mr. Sachin Raole	4	4

6.2 Risk Management Committee :

a. Terms of Reference :

The Committee was constituted vide the Board Meeting held on 16th May, 2019;

i) To evaluate risks related to cyber security and ensure that appropriate procedures are in place to mitigate these risks in timely manner.

ii) To review and approve the Enterprise Risk Management Framework (ERMF) of the Company.

b. Composition:

As on 31st March, 2023, the Risk Management Committee of the Board comprises of Six (6) Directors namely, Dr Shridhar Shukla (Non-Executive Independent Director, Chairman of the Committee), Mr. Shishir Joshipura (Executive Director), Mr. Sachin Raole (Executive Director), Mr. Sivaramakrishnan Iyer (Non-Executive, Independent Director), Ms. Mrunalini Joshi (Non-Executive -Independent Director) and Mr. Suhas Baxi (Non-Executive -Independent Director).

c. Meetings:

This Committee met twice during the financial year 2022-23 i.e. on 23rd January and 03rd February, 2023.

Attendance of each Member at the Risk Management Committee meeting held during the year:

Name of Director	No. of Meetings entitled to attend	Meetings attended
Dr Shridhar Shukla	2	2
Mr. Shishir Joshipura	2	2
Mr. Sachin Raole	2	2
Mr. Sivaramakrishnan S. Iyer	2	1
Ms. Mrunalini Joshi	2	1
Mr. Suhas Baxi	2	2

6.3 Corporate Social Responsibility Committee:

a. Terms of Reference :

The Committee was constituted vide the Board Meeting held on 25th October, 2013 to;

i. Formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII.

ii. Recommend the amount of expenditure to be incurred on the activities referred to in clause (i).

iii. Monitor the Corporate Social Responsibility Policy of the Company from time to time.

b. Composition:

As on 31st March, 2023, the Corporate Social Responsibility Committee of the Board comprises of three Directors namely Ms. Parimal Chaudhari (Non-Executive Non-Independent Director, Chairperson of the Committee), Mr. Sivaramakrishnan Iyer (Non-Executive, Independent Director) and Ms. Mrunalini Joshi (Non-Executive – Independent Director)

c. Meetings:

The Committee met three times during the financial year 2022-23 i.e. on 25th May, 18th October in the Calendar year 2022 and 3rd February in the calendar year 2023.

Attendance of each Member at the Corporate Social Responsibility Committee Meetings held during the year.

Name of Director	No. of Meetings entitled to attend	Meetings attended
Ms. Parimal Chaudhari	3	3
Mr. Sivaramakrishnan S. Iyer	3	3
Ms. Mrunalini Joshi	3	2

6.4 Share Transfer Committee:

a. Composition:

As on 31st March, 2023, the Share Transfer committee of the Board comprises of three Directors namely Mr. Sachin Raole (Executive Director, Chairman of the Committee), Ms. Parimal Chaudhari (Non-Executive Non-Independent Director) and Mr. Sivaramakrishnan Iyer (Non-Executive, Independent Director)

b. Meetings:

This Committee met three times during the financial year 2022-23. The dates are- 19th August, 3rd October, 19th October in the calendar year 2022.

Attendance of each Member at the Share Transfer Committee meetings held during the year.

Name of Director	No. of Meetings entitled to attend	Meetings attended
Mr. Sachin Raole	3	3
Ms. Parimal Chaudhari	3	3
Mr. Sivaramakrishnan S. Iyer	3	Nil

6.5 Compensation & Share Allotment Committee :

a. Composition:

As on 31st March, 2023, the Compensation & Share Allotment Committee of the Board comprises of Five (5) Directors namely, Mr. Sachin Raole (Executive Director, Chairman of the Committee), Dr Pramod Chaudhari (Executive Chairman), Mr. Berjis Desai (Non-Executive Independent Director), Ms. Mrunalini Joshi (Non-Executive -Independent Director), and Mr. Suhas Baxi (Non-Executive -Independent Director).

b. Meetings:

This Committee met two times during the financial year 2022-23. The dates are – 26th September and 17th November in the calendar year 2022.

Attendance of each Member at the Compensation and Share Allotment Committee meetings held during the year:

Name of Director	No. of Meetings entitled to attend	Meetings attended
Mr. Sachin Raole	2	2
Dr Pramod Chaudhari	2	1
Mr. Berjis Desai	2	Nil
Ms. Mrunalini Joshi	2	2
Mr. Suhas Baxi	2	2

7. General Body Meetings:

Details of last three Annual General Meetings (AGMs) are given in table below:

Year	Venue	Date & Time	Special Resolutions passed
2021-22	Through video conferencing "Praj Tower", S.No. 274 & 275/2, Bhumkar Chowk-Hinjewadi Road, Hinjewadi, Pune – 411 057	4th August, 2022 at 10.00 a.m.	i) Extension of appointment of Dr Pramod Chaudhari (DIN: 00196415) as Executive Chairman of the Company and to fix his remuneration. ii) Borrow money in excess of Paid-up-capital & Free reserves.
2020-21	Through video conferencing "Praj Tower", S.No. 274 & 275/2, Bhumkar Chowk-Hinjewadi Road, Hinjewadi, Pune – 411 057	11th August, 2021 at 10.00 a.m.	i. Increase in remuneration, if any, of Executive Directors of the Company for the financial years 2021/22 and 2022/23, in excess of limits specified under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
2019-20	Through video conferencing "Praj Tower", S.No. 274 & 275/2, Bhumkar Chowk-Hinjewadi Road, Hinjewadi, Pune – 411 057	18th September, 2020 at 10.00 a.m.	i. Re-appointment of Ms. Mrunalini Joshi as an Independent Director for a further period of three years.

No Special Resolution was passed through postal ballot during the year 2022-23.

8. Means of Communication:

a) The quarterly / half – yearly financial results: Quarterly / half yearly financial results are published in widely circulating dailies such as Loksatta, Financial Express.

b) News Release, Presentations etc.: Official news release, detailed presentations made to media, analysts etc. are displayed on the Company's website www.praj.net. Official Media Releases are sent to the Stock Exchanges.

c) Website: The Company's website www.praj.net contains a dedicated section "Investor Lounge" where information for shareholders is available. The Annual Reports of the Company are also available on the website in a downloadable form.

d) Annual Report: Annual Report containing, inter alia, Audited Financial Statements, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MDA) Report forms part of the Annual Report. The quarterly / half – yearly un-audited financial results and official news releases are displayed on the Company's website.

9. General Shareholder Information :

Annual General Meeting:

Date & Time	:	Wednesday, the 26th July, 2023 at 10.00 a.m.
Venue and Mode	:	At Pune, through video conferencing.
Financial Year	:	1st April, 2022 to 31st March, 2023
Dividend Payment Date	:	by 21st August, 2023

Stock / Scrip Code / ISIN / CIN/Address of Stock Exchanges

National Stock Exchange Ltd. (NSE)	
Stock Code	PRAJIND Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051
BSE Ltd.	
Stock Code	522205 Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Mumbai – 400 001
ISIN with NSDL & CDSL	INE074A01025
Company Identification Number (CIN)	L27101PN1985PLC038031

The Annual Listing Fees for 2023-2024 have been paid to both the Stock Exchanges.

Financial Calendar

For the year ended 31st March, 2023 quarterly results were announced on:

Results for the quarter ended June 2022	04th August, 2022
Results for the quarter ended September 2022	18th October , 2022
Results for the quarter ended December 2022	3rd February , 2023
Results for financial year ended March 2023	25th May, 2023

For the year ended 31st March, 2024, the tentative announcement dates are:

Results for the quarter ending June 2023	Last week of July 2023
Results for the quarter ending September 2023	Last week of October 2023
Results for the quarter ending December 2023	Second week of February 2024
Results for last quarter ending March 2024	Third week of May 2024

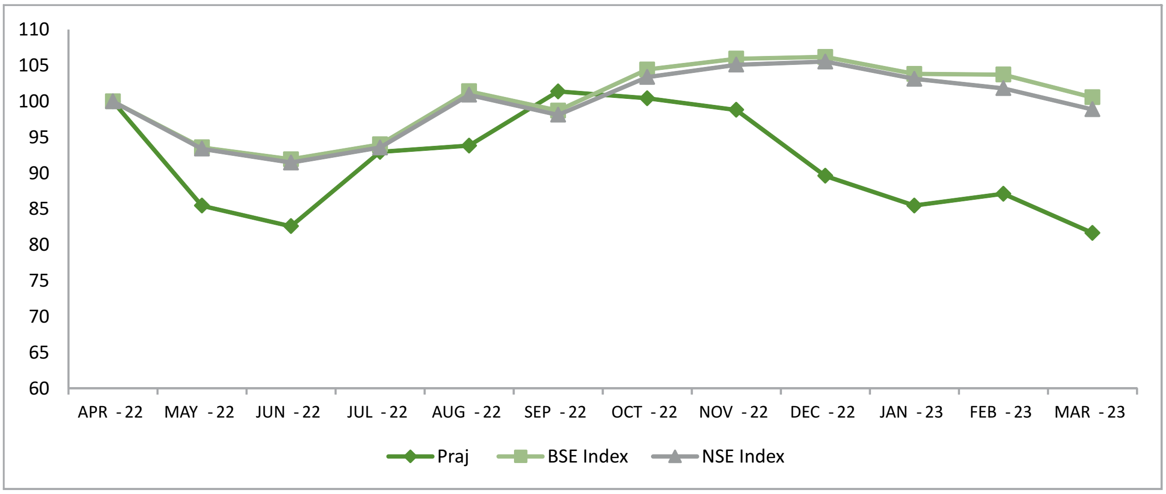
Stock Market Price Data

Monthly high / low during the year 2022– 2023 on BSE & NSE:

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2022	438.40	392.10	438.50	392.00
May 2022	411.00	289.05	411.10	289.05
June 2022	368.35	302.25	368.30	302.00
July 2022	408.20	355.35	408.00	355.30
August 2022	424.50	356.70	424.75	364.10
September 2022	435.45	376.10	435.80	376.00
October 2022	461.45	399.30	461.60	399.55
November 2022	444.70	382.05	444.90	383.30
December 2022	394.65	333.10	394.30	333.10
January 2023	372.20	326.45	372.30	326.40
February 2023	375.00	337.85	375.00	338.00
March 2023	367.75	299.00	367.80	298.65

(Source: This information is compiled from the data available from the websites of BSE and NSE)

PERFORMANCE AND COMPARISON TO BROAD BASED INDICES SUCH AS BSE SENSEX, NSE INDEX



Investor Services:

Share Transfer Agent
Link Intime India Private Limited.
Block No. 202, 2nd Floor, Akshay Complex
Off Dhole Patil Road, Pune - 411 001
Tel. : (020) – 26160084, 26161629 Telefax : 020-26163503

Share Transfer system

The Company's shares, which are in compulsory dematerialized (demat) form, are transferable through the depository system. Shares in physical form are processed by Link Intime India Private Limited, R & T Agents. The share transfers are processed within a period of 15 days from the date of receipt of the transfer documents by Link Intime India Private Limited at the above address.

The members holding shares in electronic mode should address their correspondence to their respective Depository Participant regarding change of address, change of bank account mandate and nomination.

Investor Help – desk

Share transfers and all other investor related activities are attended to and processed at the office of Link Intime India Private Limited, R & T Agents.

In order to facilitate investor servicing, the Company has designated an e-mail id investorsfeedback@praj.net mainly for registering complaints by investors. Shareholders are requested to address their complaints, if any, on this designated email id only, for quick redressal thereof.

Dividend

Dividend and other related activities are handled jointly by in – house Secretarial Department and R & T Agents.

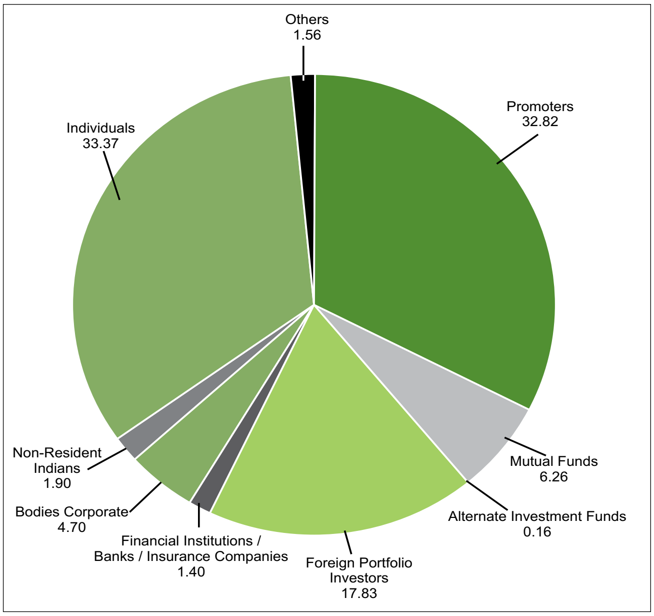
Distribution of shareholding as on 31st March, 2023:

Shares range	Shareholders	Percentage	Total shares for the range	Percentage
1 - 500	271732	93.80	20682562	11.26
501 - 1000	9613	3.32	7399646	4.03
1001 - 2000	4455	1.54	6629443	3.61
2001 - 3000	1361	0.47	3468156	1.89
3001 - 4000	634	0.22	2276670	1.24
4001 - 5000	452	0.16	2104008	1.14
5001 - 10000	735	0.25	5308149	2.89
10001 and above	709	0.24	135844454	73.94
Total	**289691**	**100.00**	**183713088**	**100.00**

Shareholding Pattern as on 31st March, 2023:

	31/03/2023		31/03/2022	
Category	**No. Of shares of Rs. 2/- each**	**% of holding**	**No. Of shares of Rs. 2/- each**	**% of holding**
Promoters' Holding	**60,300,000**	**32.82**	60,300,000	32.83
Non-Promoters' holding				
Mutual Funds	**11,505,701**	**6.26**	15,093,166	8.22
Alternate Investment Funds	**300,000**	**0.16**	100,500	0.05
Foreign Portfolio Investor	**32,762,177**	**17.83**	25,421,820	13.84
Financial Institutions / Banks / Insurance Companies	**2,588,677**	**1.40**	10,28,979	0.56
Bodies Corporate	**8,635,736**	**4.70**	11,519,661	6.27
Non-Resident Indians	**3,490,483**	**1.90**	3,316,383	1.81
Individuals	**61,331,159**	**33.37**	63,798,766	34.74
Others	**2,799,155**	**1.56**	3,093,813	1.68
TOTAL	**183,713,088**	**100.00**	183,673,088	100.00

Pie chart regarding shareholding pattern:



Dematerialisation of Shares and Liquidity:

As on 31st March, 2023, 99.91% of shareholding was held in dematerialized form with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

Physical and Demat Shares:

	As on 31st March, 2023	%
No. of Shares held by NSDL	94,166,184	51.25
No. of Shares held by CDSL	89,408,679	48.66
Physical Shares	138,225	0.09
Total	**183,713,088**	**100.00**

Unclaimed Dividend:

Members may please note that pursuant to Section 124 of the Companies Act, 2013, the dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company will be transferred to the Investor Education and Protection Fund (IEPF) set up by Government of India and no payments shall be made in respect of any such claims.

Given below are the dates of declaration of dividend and corresponding dates when unpaid/unclaimed dividends are due for transfer to the IEPF.

Financial Year	Type	Date of Declaration	Due date of transfer to IEPF
2015-16	Interim Dividend 2015-16	12/03/2016	17/04/2023
2016-17	Dividend 2016-17	11/08/2017	15/09/2024
2017-18	Dividend 2017-18	06/08/2018	10/09/2025
2018-19	Interim Dividend 2018-19 Final Dividend 2018-19	28/01/2019 22/07/2019	04/03/2026 27/08/2026
2019-20	Interim Dividend 2019-20	05/03/2020	10/04/2027
2020-21	Dividend 2020-21	11/08/2021	15/09/2028
2021-22	Dividend 2021-22	04/08/2022	08/09/2029

Plant Locations:

The Company has its manufacturing facilities at the following places;

1. S. No. 748, Sanaswadi, Pune- 412 307, Maharashtra, India.
2. Praj Matrix R & D Center, Division of Praj Industries Ltd., 402/403/1098, Urawade, At. Pirangut, Tal. Mulshi, Dist. Pune 412115, India.
3. Kandla SEZ Unit I Plot No 307 to 314 and Unit II at Plot No. 282 to 286 and 294 to 298, Sector IV Gandhidham, Kutch, 370230, Gujarat, India.
4. Warehouse No. 3, Himalaya Complex, Phase I, Sector IV, Kandla, Gandhidham, Kutch, 370230, Gujarat, India
5. Plot No. E-20 & E-21 additional MIDC Area, Jejuri,Tal. Purandar, Nira Pune Rd, Pune, Maharashtra 412303, (R&D Unit III).

Address for correspondence:

As stated earlier, investors are requested to contact Link Intime India Pvt. Ltd., Block No. 202, 2nd floor, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune 411 001 for queries and share related matters.

10. Other Disclosures:

a. Materially significant Related Party Transactions:

There were no materially significant related party transactions which could have had potential conflict with the interests of the Company. Transactions with related parties are entered into by the Company in the normal course of business and at arm's length. The details of transactions are periodically placed before the Audit Committee for review and approval. Members may refer to the notes to the accounts for details of related party transactions.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013 read with the Rules framed there under including the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The policy has been placed on the website of the Company at https://www.praj.net/wp-content/uploads/2021/11/praj-policy-on-related-party-transactions.pdf

b. Statutory compliance, Penalties and Strictures:

There has not been any non – compliance, penalties or strictures imposed on the Company by the Stock Exchanges, or any other statutory authority on any matter relating to the Capital Market during the last three years.

c. Vigil mechanism/ Whistle Blower Policy :

In accordance with requirement of Companies Act, 2013 as well as SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and further amendments made thereto, a vigil mechanism/Whistle Blower Policy has been adopted by the Board of Directors and accordingly a whistle blower policy has been formulated with a view to provide a mechanism for employees of the Company to approach the Audit Committee of the Company to report any grievance. No person has been denied access to the Audit Committee.

d. Details of Compliance with mandatory requirements and adoption of Non- Mandatory Requirements:

The Company has complied with the applicable mandatory requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and further amendments thereto.

The Company has adopted following non-mandatory requirements as specified in Part E of Schedule II of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;

i. Shareholders' Rights:

The financial results are published in the Loksatta and Financial Express and are also displayed on the Company's website as well as the websites of the Stock Exchanges on which the Company's shares are listed and therefore, have not been separately circulated to the shareholders.

ii. Modified Opinion(s) in Audit Report :

During the year under review, there was no audit qualification in the Auditors' Report on the Company's Financial Statements.

Details of fees paid to P G BHAGWAT LLP, Statutory Auditors of the Company for the financial year 2022-23 are as follows:

Audit Fees	Rs 4.815 Mn.
Taxation Services	Rs. 1.800 Mn.
Others	Rs. 0.090 Mn.
Total	**Rs 6.705 Mn.**

iii. Separate posts of Chairperson & Chief Executive Officer:

Dr Pramod Chaudhari is Executive Chairman and Mr. Shishir Joshipura is a Chief Executive Officer & Managing Director of the Company.

iv. Reporting of Internal Auditors:

Internal Auditor directly reports to the Audit Committee.

v. Retirement Guidelines:

Executive Directors will retire at the age of 65 years and Non – Executive Directors at the age of 70 years.

However, the Board is at liberty to grant extensions according to which, the term of office of Dr Pramod Chaudhari, Executive Chairman is extended despite his crossing the age of 65 years which is well within the maximum age limit prescribed under Section 196 (3)(a) of the Companies Act, 2013.

e. Web link where policy for determining 'material subsidiaries' is disclosed:

The policy for determining 'material subsidiaries' is disclosed on https://www.praj.net/wp-content/uploads/2021/11/policy-on-material-subsidiary.pdf

f. Web link where policy on dealing with Related Party Transactions is disclosed:

The policy on dealing with related party transactions is disclosed on https://www.praj.net/wp-content/uploads/2021/11/praj-policy-on-related-party-transactions.pdf

g. Disclosure of Commodity price risks and commodity hedging activities:

The principal raw material of the Company is steel. It is procured from the domestic as well as overseas suppliers. Some of the other raw materials are also procured from the overseas markets. The Company has got appropriate mechanism to deal with fluctuation in material prices.

h. Prevention of Sexual Harassment :

The Company has in place Prevention of Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The Company has constituted Internal Committee as per the aforesaid Act.

The following is a summary of Sexual Harassment Complaints received and disposed during Financial Year 2022/23, under the aforesaid Act:

No. of pending Complaints at the bigining of the year	: Nil
No. of Complaints received	: 1 (One)
No. of Complaints disposed of	: 1 (One)
No. of Complaints pending as on 31st March 2023	: Nil

i. Loans and Advances in the nature of loans to Firms / Companies in which Directors are interested:

Refer Note No. 5 of Annual Report for the financial year 2022-23.

11. Code of Conduct:

With reference to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Board has approved revised Code of Conduct for monitoring and regulating insider trading. The Code is posted on Company's website ; https://www.praj.net/wp-content/uploads/2021/11/praj-code-of-conduct-for-board-and-senior-management.pdf

The Board members and Senior Management Personnel have affirmed compliance with the Code. A declaration to that effect signed by Mr. Shishir Joshipura, CEO & Managing Director and Mr. Sachin Raole, CFO & Director Resources forms part of this Report.

12. Certification by CEO & MD and CFO:

As per the requirement of Regulation 17(8) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, read with the FAQs dtd. January 8, 2016, issued by SEBI, a Certificate, duly signed by CEO and CFO of the Company, was placed at the Board Meeting of the Company held on 25th May, 2023 and the same forms part of this report.

13. The Company has complied with all the requirements of Corporate Governance Report of sub-paras (2) to (10)

14. Certificate on Corporate Governance:

The Company has obtained a Certificate from Mr. Vikas Khare, Partner, KANJ & Co. LLP, regarding Compliance of conditions of Corporate Governance as stipulated in Regulation 15(2) read with Clause C of Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the same forms part of this Report.

CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS

To,
The Board of Directors
Praj Industries Limited
Pune

Dear Sirs/Madam,

This is to certify that;

A. We have reviewed financial statements and the cash flow statement for the year ended on 31st March, 2023 and that 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 listed entity during the year which are fraudulent, illegal or violative 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 listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, that there were no deficiencies in the design or operation of such internal controls of which we are aware.

D. We have indicated to the auditors and the Audit Committee;

(1) that there were no significant changes in internal control over financial reporting during the year;

(2) that there were no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(3) that there were no instances of significant fraud of which we have become aware and the involvement therein, of the management or an employee having a significant role in Company's internal control system over financial reporting.

FOR PRAJ INDUSTRIES LIMITED

	SHISHIR JOSHIPURA	**SACHIN RAOLE**
Date : 25th May, 2023	**CEO & MANAGING DIRECTOR**	**CFO & DIRECTOR – RESOURCES**
Place : Pune	**(DIN:00574970)**	**(DIN:00431438)**

CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS

(As per clause C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with regulation 34(3) of the said Listing Regulations).

To,
The Members,
Praj Industries Limited
"Praj Towers",
S. No. 274 and 275/2
Bhumkar Chowk-Hinjewadi Road
Hinjewadi, Pune 411 057

We have examined the compliance of conditions of Corporate Governance by Praj Industries Limited ("the Company") for the year ended on 31st March,2023, as referred to in regulation 15(2) read with clause C of Schedule V read with regulation 34(3) of the said Listing Regulations of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 as amended (Hereinafter, collectively referred to as the Listing Regulations).

I have examined the compliance by the Company of the requirements under Listing Regulations, for the year ended 31st March,2023.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance.

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 Listing Regulations.

We 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 KANJ & CO LLP
Company Secretaries

Vikas Y. Khare
Membership No: FCS- 3541
CP No: 2107

Pune, dated 25th May 2023

Peer Reviewed UDIN: P2000MH005900

UDIN: F003541E000386858

The Members,
Praj Industries Limited,
Praj Towers
S. No. 274 and 275/2, Bhumkar Chowk-Hinjewadi Road
Hinjewadi,
Pune 411 057

Secretarial Compliance Report of Praj Industries Limited for the Year Ended 31st March 2023

[Pursuant to Regulation 24A of Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

I, Vikas Y. Khare, Practising Company Secretary and Designated Partner of M/s KANJ & Co. LLP, have examined,

a. all the documents and records made available to us, and explanation provided by Praj Industries Limited ("the listed entity"),

b. the filings/ submissions made by the listed entity to the stock exchanges,

c. website of the listed entity,

d. any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March 2023 ("Review Period") in respect of compliance with the provisions of:

a. the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

b. the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include: -

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

b. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

c. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable;

d. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. (Not Applicable to the listed entity during the year under review)

e. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

f. Securities and Exchange Board of India (Issue and Listing of Nonconvertible Securities) Regulations, 2021; (Not Applicable to the listed entity during the year under review)

g. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

h. (other regulations as applicable) and circulars guidelines issued thereunder: NIL

   and based on the above examination, we hereby report that, during the review period:

   a. The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified in Annexure I as attached.

   b. The listed Entity has taken actions to comply with the observations made in previous reports as specified in Annexure – II to this Report.

c. Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October 2019 reports is as specified in Annexure – III to this Report

d. Further, in accordance with the requirement of SEBI Circular CIR/CFD/CMD/1/114/2019 dated 18 October 2019 read with Notice No. 20230316•14 dated 16.03.2023 and 20230410-41 dated 10.04.2023 as issued by the BSE Limited and Circular No. NSE/CML/2023/21 dated 16.03.2023 and Circular No. NSE/CML/2023/30 dated 10.04.2023 as issued by the National Stock• Exchange of India Limited, Additional Affirmations are provided in Annex– IV to this Report.

For KANJ & CO LLP
Company Secretaries

Vikas Khare
Designated Partner
FCS No.: 3541 C. P. No.: 2107
UDIN: F003541E000386517
Peer Reviewed UDIN: P2000MH005900
Place: Pune, Date: 25th May 2023

Annexure- I

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below: -

1	2	3	4	*5
Sr	**Compliance Requirement (Regulations/Circulars/ Guidelines, including specific clause),**	**Regulation /Circular Number**	**Deviations**	**Actions Taken by by Advisory/Clarification/ Fine/Show Cause Notice/ Warning etc.**
1	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR)	23 (2) second proviso	The Listed entity has not define the term "material modifications" and disclose it as part of the policy on materiality of related party transactions and on dealing with related party transaction.	Not initiated

6	7	8	9	10	11
Type of Action	**Details of Violation**	**Fine Amount**	**Observations /Remarks of Practising Company Secretary**	**Management Response**	**Remarks**
Not initiated	The Listed entity yet to define the term "material modifications" and disclose it as part of the policy on materiality of related party transactions and on dealing with related party transactions as per regulation 23 (2) second proviso of LODR	Not Applicable	The Listed entity shall define the term "material modifications" and disclose it as part of the policy on materiality of related party transactions and on dealing with related party transactions as per regulation 23 (2) second proviso of LODR	The Listed entity has defined the term "material modifications" and added it as part of the policy on materiality of related party transactions and on dealing with related party transactions as per regulation 23 (2) second proviso of LODR in the Audit Committee Meeting and Board Meeting both held on 25th May 2023.	Nil

Annexure- II

The listed entity has taken the following actions to comply with the observations made in the previous reports:

1	2	3	4	*5
Sr	**Compliance Requirement (Regulations/Circulars/ Guidelines, including specific clause),**	**Regulation/Circular Number**	**Deviations**	**Actions Taken by**
	Nil		Nil	Not Applicable

*5 Actions taken by Advisory/Clarification/Fine/Show Cause Notice/Warning etc.

6	7	8	9	10	11
Type of Action	**Details of Violation**	**Fine Amount**	**Observations /Remarks of Practising Company Secretary**	**Management Response**	**Remarks**

Not Applicable	Nil	Not Applicable	Not Applicable	Not Applicable	Nil

Annexure- III

Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations/ Remarks by PCS*
1.	**Compliances with the following conditions while appointing/re-appointing an auditor**		
	i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	NA	Auditors did not resign in FY 2022-23
2.	**Other conditions relating to resignation of statutory auditor**		
	i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:		
	a. In case of any concern with the management of the listed entity/ material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings. b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable. c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor. ii. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.	NA	Auditors did not resign in FY 2022-23 and no such concern noticed from the records of the Company.
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure- A in SEBI Circular CIR/ CFD/CMD1/114/2019 dated 18th October, 2019.	NA	Auditors did not resign in FY 2022-23

Annexure- IV

Additional affirmations to be provided while submitting Annual Secretarial Compliance Report.

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations / Remarks by PCS*
1.	**Compliances with the following conditions while appointing/re-appointing an auditor**		
	The compliances of the listed entity are in accordance with the applicable mandatory Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI).	YES	NIL
2.	**Adoption and timely up dation of the Policies:**		
	• All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities.	YES	NIL
	• All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/ circulars/ guidelines issued by SEBI.	No	The Listed entity has not defined the term "material modifications" and disclosed it as part of the policy on materiality of related party transactions and on dealing with related party transactions as per regulation 23 (2) second proviso of LODR.
3.	**Maintenance and disclosures on Website:**	NA	Auditors did not resign in FY 2022-23
	• The Listed entity is maintaining a functional website.	YES	NIL
	• Timely dissemination of the documents/ information under a separate section on the website.	YES	NIL
	• Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which redirects to the relevant document(s)/ section of the website.	YES	NIL
4	**Disqualification of Director:**		
	None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013.	YES	NIL
5	To examine details related to Subsidiaries of listed entities:		
	(a) Identification of material subsidiary companies.	YES	NIL
	(b) Requirements with respect to disclosure of material as well as other subsidiaries.	YES	NIL
6	**Preservation of Documents:**		
	The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival Policy prescribed under SEBI LODR Regulations, 2015.	YES	NIL
7	**Performance Evaluation:**		
	The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations	YES	NIL
8	**Related Party Transactions:**		
	(a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions. (b) the listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit committee, in case of no prior approval has been obtained.	YES	NIL
9	**Disclosure of events or information:**		

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations / Remarks by PCS*
	The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	YES	NIL
10	**Prohibition of Insider Trading:**		
	The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	YES	The BSE officials visited the listed entity and advised it to maintain "Bottom to Top" approach while maintaining the SDD. Implementation of the has been initiated by the listed entity.
11	Actions taken by SEBI or Stock Exchange(s), if any:		
	No actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.	YES	NIL
12	Additional Non-compliances, if any:		
	No additional non-compliance observed for all SEBI regulation/ circular/guidance note etc.	YES	NIL

For KANJ & CO LLP
Company Secretaries

Vikas Khare
Designated Partner
FCS No.: 3541 C. P. No.: 2107
Place: Pune, Date: 25th May 2023
UDIN: F003541E000386517
Peer Reviewed UDIN: P2000MH005900

The Members,
Praj Industries Limited,
Praj Towers
S. No. 274 and 275/2, Bhumkar Chowk-Hinjewadi Road
Hinjewadi,
Pune 411 057

Assumptions & Limitation of scope and Review for conducting review of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For KANJ & CO LLP
Company Secretaries

Vikas Khare
Designated Partner
FCS No.: 3541 C. P. No.: 2107
Place: Pune, Date: 25th May 2023
UDIN: F003541E000386517
Peer Reviewed UDIN: P2000MH005900

The Members,
Praj Industries Limited
Praj Towers
S. No. 274 and 275/2, Bhumkar Chowk-Hinjewadi Road
Hinjewadi, Pune 411 057

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Praj Industries Limited having CIN L27101PN1985PLC038031 and having registered office at S. No. 274 and 275/2, Bhumkar Chowk-Hinjewadi Road, Hinjewadi, Pune 411 057 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (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 portal www.mca.gov.in) as conside 2023 haveary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st 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.

Sr. No	DIN	Name	Begin date
1	196415	Pramod Madhukar Chaudhari	08-11-1985
2	153675	Berjis Minoo Desai	27-08-1993
3	503487	Sivaramakrishnan Srinivasan Iyer	17-04-2003
4	724911	Mrs. Parimal Pramod Chaudhari	05-06-2007
5	431438	Sachin Vinayak Raole	16-01-2017
6	957617	Mrs. Mrunalini Harish Joshi	11-08-2017
7	574970	Shishir Joshipura	02-04-2018
8	7607	Shridhar Bhalchandra Shukla	12-04-2018
9	649689	Suhas Gangadhar Baxi	08-08-2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For KANJ & CO. LLP
Company Secretaries

Vikas Y. Khare
Designated Partner

Membership No: FCS- 3541, CP No: 2107,

Peer Reviewed UDIN: P2000MH005900

Pune, 25th May 2023

UDIN: F003541E000386682

ANNEXURE 4
ESOP DISCLOSURE

Statement as on 31st March, 2023 for Employee Stock Option Scheme 2011 as required under Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Sr. No.	Particulars		ESOP 2011
1	Date of Meeting		Annual General Meeting held on 22/07/2011
2	Total number of options approved under the Scheme		92,38,936
3	Vesting requirements		1 to 4 years
4	Exercise price or pricing formula		17th June, 2021 Rs. 90/-
5	Source of shares		Primary
6	Variation in terms of options		Nil
7	Options movement during the year		
	i.	Number of Options outstanding at the beginning of the year	1,40,000
	ii.	Number of Options granted during the year	Nil
	iii.	Number of Options forfeited / cancelled/ lapsed during the year	Nil
	iv.	Number of Options exercised during the year	40,000
	v.	Number of shares arising as a result of exercise of options	40,000
	vi.	Money realised by exercise of options during the year	Rs. 3.600 Mn
	vii.	Number of Options outstanding at the end of the year	1,00,000
	viii.	Number of Options exercisable at the end of the year	1,00,000
8	Employee wise details of options granted to:		
	i.	Key Managerial Personnel	
		1. Mr. Shishir Joshipura, CEO & Managing Director	75,000
		2. Mr. Sachin Raole, CFO and Director – Resources	25,000
	ii.	Any other employee who receives a grant in any one year of option amounting to 5% or more of options granted during that year:	Nil
	iii.	Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	None
9		Weighted average fair value of options as on the date of grant	17th June, 2021 Rs. 265.74
10		Method used for calculating fair value of options	Black Scholes Option pricing model

Significant assumptions used in arriving at the fair value of Options under Black Scholes model are as stated below :

- The price of the underlying instrument follows a geometric Brownian motion with constant drift and volatility, and the prices changes are log-normally distributed.
- It is possible to short sell the underlying stock.
- There are no arbitrage opportunities.
- Trading in the stock is continuous.
- There are no transaction costs or taxes.

- All securities are perfectly divisible (e.g. it is possible to buy any fraction of a share).
- It is possible to borrow and lend cash at a constant risk-free interest rate.

Following variables are used in the calculation of Black-Scholes model:

- Volatility
- Risk free interest rate
- Expected option life
- Expected dividend yield
- Market price and
- Exercise price

Except for dividend yield and exercise price all variables have direct impact on option value as derived using Black-Scholes model.

As per IND AS 102, fair value of an option estimated at the grant date shall not be subsequently adjusted for changes in the price of the underlying stock or its volatility, the life of the option, dividends on the stock, or the risk-free interest rate etc.

ANNEXURE 5

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 Personnel) Rules, 2014]

To,
The Members,
Praj Industries Limited,
"Praj Tower", S. No. 274 and 275/2, Bhumkar Chowk-Hinjewadi Road
Hinjewadi,
Pune 411 057

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

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information, including copies of the scan documents or soft documents, provided by the company its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2023, subject to our specific observations, if any, substantially complied with the statutory provisions listed hereunder and also that the company has proper board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

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

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

iii. The Depositories Act, 1996 and the Regulations and byelaws framed thereunder.

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment.

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

    i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

    ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

    iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable during the audit period)

    iv. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021;

    v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable during the audit period)

    vi. 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;

    vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable during the audit period)

    viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable during the audit period);

ix. The following other law as applicable specifically to the company, which includes the Narcotic Drugs and Psychotropic Substances Act, 1985 and the Atomic Energy Act, 1962 as applicable specifically to the company.

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

i. Secretarial Standards issued by the Institute of Company Secretaries of India as are applicable to the company,

ii. The Listing Agreements entered by the Company with BSE Limited / National Stock Exchange of India Limited read with SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (LODR).

iii. During the period under review the Company has substantially complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. In the 36th Annual General meeting held on 4th August 2022 Mrs. Parimal Chaudhari, (DIN-00724911) representing Woman Director in category of Non-Executive Director retired by rotation and was reappointed in the same class and category. Tenure of Appointment of Dr. P. M Chaudhari, Executive Chairman was extended for a further period of 29 months w.e.f. 1st August 2022 till 31st December 2024 by passing special resolution as per section 196(3) of the Act and Regulation 17(e) of LODR. The Tenure of Appointment of Mr. Sachin Raole, CFO and Director Resources was extended for a further period of 5 years w.e.f. 1st August 2022 till 31st July 2027. We observed that the filing of few statutory MCA forms under the Act were filed with delay by paying additional filing fees. The Listed entity has not define the term "material modifications" and disclose it as part of the policy on materiality of related party transactions and on dealing with related party transaction as required by second proviso to Regulation 23 (2) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), however, as per the records, the company has not entered into any material modifications with related parties.

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

As per the minutes of the meeting all the decisions were taken unanimously in as much as there were no dissenting views appearing in the minutes of the meetings.

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

We further report that during the audit period as per the information provided and to the best of our knowledge formation of wholly owned subsidiary, namely, Praj GenX Limited for manufacture of modular SPM for energy transition and climate action may have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, and the Secretarial Standards.

For KANJ & Co LLP
Company Secretaries

Vikas Y. Khare
FCS No. 3541
C P No.: 2107
Peer Reviewed UDIN: P2000MH005900

Place: Pune

Date: 25 May 2023

UDIN F003541E000386627

The Members,
Praj Industries Limited,
“Praj Tower”,
S. No. 274 and 275/2
Bhumkar Chowk-Hinjewadi Road
Hinjewadi,
Pune 411 057

Our report of even date provided in Form MR-3 to Praj Industries Limited (the company) for the year ended on 31st March 2023 is to be read along with this letter.

1. Maintenance of Secretarial records and complying with the provisions of the various laws as applicable including the laws specifically applicable to the company is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records and legal compliances based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain responsible assurance about the correctness of the contents of secretarial records and the records of legal compliances. The verification was done on test basis to ensure that correct facts are reflected in secretarial and other relevant records. We believe that the processes and practices, we follow provide a responsible basis for our opinion.

3. We are not required to verify the correctness and appropriateness of financial records and books of accounts of the company as it is part of financial audit as per the provisions of the Companies Act, 2013 and we have relied upon audited accounts.

4. Wherever required, we have obtained the management representation about the practices followed, compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provision of corporate and other applicable laws, rules, regulations, secretarial standards is the responsibility of management. Our examination was limited to verification of procedures on test basis.

6. The secretarial audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

For KANJ & Co LLP
Company Secretaries

Vikas Y. Khare
Partner
FCS No. 3541
C. P. No.: 2107
Peer Reviewed UDIN: P2000MH005900
UDIN: F003541E000386627
Place: Pune
Date: 25th May 2023

ANNEXURE 6
Notes forming part of the Consolidated financial statements for the year ended 31 March 2023

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES PURSUANT TO SECTION 129 (3) READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014

1	NAME OF THE SUBSIDIARY COMPANY	Praj Far East Philippinnes Ltd., The Philippinnes	Praj Americas Inc. USA	Praj Far East Co., Ltd. Thailand	Praj HiPurity Systems Limited, India.	Praj Engineering and Infra Limited, India	Praj Genx Limited, India. (Incorporated on 15.03.2023)
2	FINANCIAL PERIOD OF THE SUBSIDIARY ENDED ON	31-03-2023	31-03-2023	31-03-2023	31-03-2023	31-03-2023	31-03-2023
3	% OF SHAREHOLDING	100% of Equity Capital	100% of Equity Capital	100% of Equity Capital	100% of Equity Capital	99.65% of Equity Capital	Wholly Owned
4	SHARE CAPITAL	11.167	9.281	12.519	50.000	3.098	-
5	RESERVES AND SURPLUS	16.953	7.406	25.282	804.594	193.566	-
6	TOTAL ASSETS	41.605	18.422	46.031	1606.962	1050.124	-
7	TOTAL LIABILITIES (EXCLUDING SHARE CAPITAL AND OTHER EQUITY)	13.486	1.735	8.233	752.368	853.460	-
8	INVESTMENTS	NIL	NIL	NIL	NIL	100.000	-
9	TURNOVER	23.494	61.899	76.049	2417.818	1305.398	-
10	PROFIT / (LOSS) FOR THE CURRENT YEAR (BEFORE TAXES)	7.679	2.556	14.335	228.383	91.783	-
11	PROVISION FOR TAXATION (INCLUDING DEFERRED TAXES)	0.995	0.416	2.965	58.772	23.019	-
12	PROFIT / (LOSS) FOR THE CURRENT YEAR (AFTER TAXES)	6.684	2.140	11.370	169.611	68.764	-
12	OTHER COMPREHENSIVE INCOME	1.572	1.193	2.221	(0.053)	0.001	-
13	TOTAL COMPREHENSIVE INCOME	8.256	3.333	13.591	169.558	68.765	-
14	ORIGINAL CURRENCY	PESO	US DOLLAR	THAI BAHT	INR	INR	INR
15	EXCHANGE RATE AS ON 31st MARCH 2023 IN INR - CLOSING RATE	1.5118	82.7000	2.4180	1.00	1.00	-
16	EXCHANGE RATE FROM 1st APRIL 22 TO 31st MARCH 2023 IN INR-AVERAGE RATE	1.4540	80.3956	2.2856	1.00	1.00	-

For and on behalf of the Board of Directors of Praj Industries Limited

Dr Pramod Chaudhari
Executive Chairman
(DIN : 00196415)

Shishir Joshipura
CEO and Managing Director
(DIN : 00574970)

Sachin Raole
CFO and Director - Resources
(DIN : 00431438)

Place: Pune
Date: 25 May 2023

Dattatraya Nimbolkar
Chief Internal Auditor and
Company Secretary (M.No.: ACS4660)

ANNEXURE 7
NOMINATION & REMUNERATION POLICY

1. PHILOSOPHY:

The Company strongly believes that the system of Corporate Governance protects the interest of all the stakeholders by inculcating transparent business operations and accountability from management towards fulfilling the consistently high standard of Corporate Governance in all facets of the Company's operations.

The Company is committed to provide employment to all eligible applicants on the principles of equality without any discrimination.

2. OBJECTIVE:

- Transparent process of determining remuneration at Board and Senior Management level of the Company would strengthen confidence of stakeholders in the Company and its management and help in creation of long term value for them.
- Appropriate balance between the elements comprising the remuneration so as to attract potential high performing candidates for critical position in the Company for attaining continual growth in business.
- The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as may be amended from time to time).

3. COVERAGE:

The policy is applicable to determining remuneration of:

Executive Directors

Non- Executive Directors

Key Managerial Personnel

Senior Management Personnel

4. DEFINITIONS:

- **Board** means Board of Directors of the Company.
- **Key Managerial Personnel** shall have the same meaning as given in Section 2 (13) of the Companies Act, 2013 read with rules there under.
- "Senior Management" shall mean personnel of the company (which include persons engaged as retainer or on contractual basis) who are members of its core management team excluding Board of Directors, comprising all members of management one level below the Executive Directors i.e. Level L4. Also any appointment or cessation of the functional head, shall be placed for noting by the Nomination & Remuneration Committee."

  Explanation 1: - In case of any dispute whether a person is member of Senior Management or not, decision of concerned Executive Director shall be final.

Explanation 2: Considering the criticality of a particular function, even if a person is not covered in the above definition, the Chairman will have discretion to treat him/ her as member of Senior Management for the purpose of this Policy.

Explanation 3: The term " Functional Head" shall mean the person, other than those in Level L4 and includes a person who is in an independent charge of any function.

The words and definitions not described herein above shall have the respective meanings under the Acts and legislations governing the same.

5. TERMS OF REFERENCE/ROLE OF COMMITTEE:

The Terms of Reference of the Committee shall be:

- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and to carry out evaluation of every Director's performance.
- To ensure that the level and composition of remuneration is reasonable and is sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- To ensure that relationship of remuneration to performance in respect of Directors, Key Managerial Personnel and employees of Senior Management is clear and meets appropriate performance benchmarks; and
- To ensure that remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:
- To formulate the criteria for determining qualifications of Directors, Key Managerial Personnel and employees of Senior Management, and also to determine criteria for positive attributes and independence of Directors.
- To formulate criteria for evaluation of every Director including Independent Director and the Board.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation by the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and employees of Senior Management.
- To provide to Key Managerial Personnel and Senior Management, reward linked directly to their efforts, performance, dedication and achievement relating to the Company's operations.
- To devise a policy on Board diversity from time to time.
- To develop a succession plan for the Board and to regularly review the plan;

6. RETIREMENT AGE OF DIRECTORS, KMP AND SENIOR MANAGEMENT PERSONNEL:

The KMP and Senior Management Personnel shall retire as per the prevailing HR policy of the Company.

As decided by the Board of Directors at its meeting held on 24.05.2011 the retirement age for Executive Directors shall be 65 years and for Non-Executive Directors shall be 70 years. The Board of Directors shall be at liberty to grant any extension as and when required on case to case basis.

7. STATUTORY POWERS OF THE COMMITTEE:

- The committee shall have a power to express opinion whether the Director possesses the requisite qualification for the practice of the profession, when remuneration is proposed to be paid for the services to be rendered in any other capacity and such services to be rendered are of a professional nature.
- Where in any financial year during the currency of tenure of a managerial person, a company has no profits or its profits are inadequate, the Committee may approve the payment of remuneration as per Section II of Part II of Schedule V to the Companies Act, 2013.

8. COMPOSITION OF COMMITTEE:

The Committee shall comprise of at least three Non-Executive Directors, at least half of whom shall be independent Directors. The Board may appoint the Chairperson of the Company whether executive or non-executive as member of this committee.

9. CHAIRPERSON:

- The Chairperson of the Committee shall be an Independent Director.
- In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one of the Independent Directors amongst themselves to act as Chairperson.
- The Chairperson of the Nomination and Remuneration Committee shall endeavor to be present at the Annual General Meeting.

10. MISCELLENEOUS:

- A member of the Committee is not entitled to be present when his or her own or his or her relative(s) remuneration is discussed at a meeting or when his or her or his or her relative(s) performance is being evaluated.
- The Committee may invite Executive Directors, functional heads and outside experts, as it considers appropriate, to be present at the meetings of the Committee.

The Company Secretary of the Company shall act as Secretary of the Committee.

ANNEXURE 8
BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity - L27101PN1985PLC038031
2. Name of the Listed Entity - Praj Industries Ltd.
3. Year of incorporation - 1985
4. Registered office address - "Praj Tower", S. No. 274 & 275/2, Bhumkar Chowk- Hinjewadi Road, Hinjewadi, Pune – 411 057.
5. Corporate address - "Praj Tower", S. No. 274 & 275/2, Bhumkar Chowk- Hinjewadi Road, Hinjewadi, Pune – 411 057.
6. E-mail - info@praj.net
7. Telephone +91-20-71802000 / 22941000
8. Website – https://www.praj.net
9. Financial year for which reporting is being done - 01.04.2022- 31.03.2023
10. Name of the Stock Exchange(s) where shares are listed – National Stock Exchange of India Limited (NSE) / BSE Limited (BSE)
11. Paid-up Capital – INR 367.346 million
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report

    Mr. Mandar Kulkarni, Lead - Sustainability

    Telephone No. +91-20-71802000 / 22941000

    Email address – mandarkulkarni@praj.net
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together)

    The disclosures under this report are made on Standalone basis.

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Manufacture of other Special - Purpose Machinery	100%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Bioenergy Plants - 1st and 2nd Generation ethanol and renewable bio-gas that can substitute fossil fuels and promote Sustainable Decarbonization through Circular Bio-Economy	28299	79%
2	Engineering Businesses - Critical Process Equipment & Skids, Processes & Systems, Brewery Beverages Plants Water and Wastewater Plants and Water systems, modular process systems and value added services related thereto	28299	21%

III. Operations

16. No. of location where plants and / or operations / offices of the entity are situated.

Location	Number of plants	Number of offices	Total
National	5	4	9
International	0	3	3

Notes

i. Three research centres (Urawade, Jejuri & Patethan) in India are considered under office locations. Praj Tower (HQ) is also included under office locations.

ii. Plants – 1. Sanaswadi, 2. Urawade, 3. Kandla SEZ#I, 4. Kandla SEZ#II & 5. Kandla SEZ#III

iii. Project sites (around 82 nos.) are not considered above.

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	23
International (No. of Countries)	40

b. What is the contribution of exports as a percentage of the total turnover of the entity?

18%

c. A brief on types of customers

Company offers customized plants, equipment & technology solutions majorly to industrial customers. Some of our customers include PSU Companies and large conglomerates.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	1192	1077	90	115	10
2.	Other than Permanent (E)	411	389	95	22	5
3.	Total employee (D + E)	1603	1466	91	137	9
WORKERS						
4.	Permanent (F)	-	-	N/A	-	N/A
5.	Other than Permanent (G)	1987	1975	99	12	1
6.	Total workers (F + G)	1987	1975	99	12	1

b. Differently abled Employees and workers:

S No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	4	3	75	1	25
2.	Other than Permanent (E)	-	-	N/A	-	N/A
3.	Total differently abled employees (D + E)	4	3	75	1	25
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	-	-	N/A	-	N/A
5.	Other than permanent (G)	-	-	N/A	-	N/A
6.	Total differently abled workers (F + G)	-	-	N/A	-	N/A

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	9	2	22%
Key Managerial Personnel	4	0	N/A

Note – 3 Whole-time Directors, 6 Non-Executive Directors. 5 of the Non-Executive Directors are Independent Directors. Out of 4 Key Managerial Personnel, 3 are directors.

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	14%**	22%*	15%	10%	11%	10%	7%	6%	7%
Permanent Workers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* In case of Female employees, personal reasons, better opportunity & relocations account for higher turnover rate.

** Overall turnover rates are in line with the market trend.

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of Holding / Subsidiary / Associate Companies / Joint Ventures

S. No.	Name of the Holding / Subsidiary / Associate Companies / Joint Ventures (A)	Indicate whether Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Praj Engineering & Infra Ltd.	Subsidiary	99.65%	Praj Industries' policies and codes of conduct, Vision, Mission and Values are applicable to all its six subsidiaries who participate in its group –wide Business Responsibility initiatives.
2	Praj HiPurity Systems Limited	Subsidiary	100%	
3	Praj Far East Co. Ltd.	Subsidiary	100%	
4	Praj Americas Inc.	Subsidiary	100%	
5	Praj Far East Philippines Ltd. Inc.	Subsidiary	100%	
6	Praj GenX Ltd.	Subsidiary	100%	

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

    (ii) Turnover - INR 31,525,730,156 (Standalone basis)

    (iii) Net worth - INR 10,661,852,812 (Standalone basis)

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	**Grievance Redressal Mechanism in Place (Yes/No)**	**FY 2022-23 Current Financial Year**			**FY 2021-22 Previous Financial Year**		
	(If Yes, then provide web-link for grievance redress policy)	**Number of complaints filed during the year**	**Number of complaints pending resolution at close of the year**	**Remarks**	**Number of complaints filed during the year**	**Number of complaints pending resolution at close of the year**	**Remarks**
Communities	-	-	-	Nil complaints	-	-	Nil complaints
Investors (other than shareholders)	Yes	-	-	Nil complaints	-	-	Nil complaints
Shareholders	Yes	2	-	All complaints were resolved	4	-	All complaints were resolved
Employees and workers	Yes	-	-	Nil complaints	-	-	Nil complaints
Customers	Yes	13	-	All complaints were resolved	26	-	All complaints were resolved
Value Chain Partners	Yes	-	-	Nil complaints	-	-	Nil complaints
Other (please specify)	N/A	N/A	N/A	N/A	N/A	N/A	N/A

The policies governing Company's responsible business conduct are available on the Company's website. These policies cover all the stakeholders and the policies also cover grievance redressal mechanism. Refer link below:- https://www.praj.net/investors-type/policies/

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S N	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Sustainable Supply chain	Opportunity	For us sustainability in supply chain provides opportunity to enhance operations' sustainability and in-turn increase opportunities to achieve lower TAT with quality for our customers	-	Positive: Enhanced sustainability in supply chain increases profitability of the business through timely deliveries and quality
2	Employee & workforce wellbeing	Opportunity	Employee and workforce wellbeing remains crucial for achieving sustainability & success of the organization	-	Positive: Wellbeing of employees results in increased productivity
3	Data Security	Risk	Data security remains high priority for us. Data breach, cyber-attacks and external factors may impact organization's image, projects and sustainability	AI based Signatureless Antivirus system, network Identity protection and intrusion protection system, SOCRadar Web threat hunting to detect any unauthorized data in internet/darknet, Firewalls with IDP and IPS at all locations, Data loss prevention system, and other technologies to protect our systems	Negative: Breach in data security may impact business through leakage of confidential information such as proposals, proprietary technology etc.
4	Corporate Governance	Risk	Organization with weak governance fail to comply with governmental & societal norms impacting its governmental & social license to operate	Strong policy-oriented governance structure & implementation structure in place	Negative: Weak governance may damage to Company's reputation
5	Health & Safety	Risk	Priority to Health & safety of employees & workers to avoid accidents, mishaps & loss of life. It can also result in serious legal issues	Health & Safety policy in place. Regular audits by dedicated HSE officer at all locations. Time to time awareness sessions for employees & workers	Negative: Health & Safety issues can impact health of employees & workers at various levels. It can cause damage to Company's reputation and attract fines.

S N	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Human rights & labour issues	Risk	Challenges integrity of the organization. Has legal implications	Human rights and Labour welfare are covered by governing policies. Periodic self-assessments, customer audits and awareness being conducted.	Negative: Labour & human rights issues if not addressed, might result in loss of man-hours, quality of product & delivery timelines. It can cause damage to Company's reputation and attract fines.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	https://www.praj.net/investors-type/policies/								
2. Whether the entity has translated the policy into procedures? (Yes / No)	There are no separate procedures available, policies include the procedures.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	N	N	Y	N	N	N	N	N	N
4. Name of the national and international codes/ certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 26000	ISO 9001	ISO 45001	ISO 26000	ISO 26000	ISO 14001	-	-	-
5. Specific commitments, goals and targets set by the entity with defined timelines, if any?	-	-	-	-	-	-	-	-	-
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	-	-	-	-	-	-	-	-	-

Governance, leadership and oversight	
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure): It brings us immense satisfaction to witness the remarkable progress of our Sustainability Management System [SMS]. This system not only enables us to monitor the impact of our own operations but also extends to those significant ones of our Supply Chain and our Customers. Translating sustainability terms into organizational impact parameters and reporting them in a balanced, consistent, and accurate manner is only the initial stage of the establishment of SMS. Its true value becomes evident when we are able to showcase tangible improvements. Since 2016, we have undergone a series of due diligence and verification audits conducted by National and International Assessors. These assessments were designed to evaluate our ESG (Environmental, Social, and Governance) performance in a rational and systematic manner. These as well as our internal audits helped us to continually improve our ESG performance parameters that ultimately lead to winning the prestigious Confederation of Indian Industry CAP 2.0 Award 2022. SMS has played a pivotal role in our transformation into a responsible and sustainable business organization. With great confidence, I anticipate that this system will continue to drive our performance improvement efforts. Sachin Raole CFO and Director – Resources	
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Sachin Raole CFO and Director – Resources Phone No. 020-71802000 Email - sachinraole@praj.net
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. Committees consist of members from all functions at each location with their HOD as Lead Sustainability. They work under the overall guidance of CEO & CFO.
10. Details of Review of NGRBCs by the Company:	

<table>
<tr><th rowspan="2">Subject for Review</th><th colspan="9">Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee</th><th colspan="9">Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)</th></tr>
<tr><th>P 1</th><th>P 2</th><th>P 3</th><th>P 4</th><th>P 5</th><th>P 6</th><th>P 7</th><th>P 8</th><th>P 9</th><th>P 1</th><th>P 2</th><th>P 3</th><th>P 4</th><th>P 5</th><th>P 6</th><th>P 7</th><th>P 8</th><th>P 9</th></tr>
<tr><td>Performance against above policies and follow up action</td><td colspan="9" rowspan="2">Praj has established a system for improvement of significant aspects of Business Responsibility Principles. CEO & MD and Members of the Board undertake broad planning for improvement of these significant aspects and release documented targets. Heads of all locations carry out detailed planning and initiate improvement as per the directions. Quarterly reports are received from all its locations in India and abroad.
These are reviewed quarterly by the Head of the Divisions. CEO & MD / Board undertake annual review and give feedback and encouragement.
CEO/Board take care of any budgetary or policy needs that are necessary for the improvements planned.</td><td colspan="9">Annually</td></tr>
<tr><td>Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances</td><td colspan="9">Annually</td></tr>
</table>

<table>
<tr><td rowspan="2">11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.</td><th>P 1</th><th>P 2</th><th>P 3</th><th>P 4</th><th>P 5</th><th>P 6</th><th>P 7</th><th>P 8</th><th>P 9</th></tr>
<tr><td colspan="9">Yes, independent assessments are conducted by certifying agencies while conducting ISO certification audits. Company has ISO certifications such as ISO 9001, ISO 45001, ISO 14001</td></tr>
<tr><td colspan="10">12. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated:</td></tr>
<tr><th>Questions</th><th>P 1</th><th>P 2</th><th>P 3</th><th>P 4</th><th>P 5</th><th>P 6</th><th>P 7</th><th>P 8</th><th>P 9</th></tr>
<tr><td>The entity does not consider the Principles material to its business (Yes/No)</td><td colspan="9" rowspan="5">Not applicable</td></tr>
<tr><td>The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)</td></tr>
<tr><td>The entity does not have the financial or/human and technical resources available for the task (Yes/No)</td></tr>
<tr><td>It is planned to be done in the next financial year (Yes/No)</td></tr>
<tr><td>Any other reason (please specify)</td></tr>
</table>

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	2	Risk management, Business strategy & update on laws applicable to the business	100%
Key Managerial Personnel	2	Risk management, Business strategy & update on laws applicable to the business	100%
Employees other than BoD and KMPs	71	Environmental sustainability, Cyber security, POSH, Health & safety, Code of Conduct	100%
Workers	N/A	N/A	N/A

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary				
NGRBC Principle	Name of the Regulatory/ Enforcement Agencies/ Judicial Institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil	-	-	-
Settlement	Nil	-	-	-
Compounding fee	Nil	-	-	-

Non-Monetary			
NGRBC Principle	Name of the Regulatory/ Enforcement Agencies/ Judicial Institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	-	-
Punishment	Nil	-	-

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the Regulatory/ Enforcement Agencies/ Judicial Institutions
Nil	-

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, Company's Code of conduct policy covers this. Code of Conduct policies for Board & Senior Management, Employees and Suppliers are strictly complied.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY (2022-23)	FY (2021-22)
	Current Financial Year	**Previous Financial Year**
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

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

	FY (2022-23) Current Financial Year		FY (2021-22) Previous Financial Year	
	Number	**Remarks**	**Number**	**Remarks**
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil		Nil	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil		Nil	

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

N/A

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY (2022-23)	FY (2021-22)	Details of improvements in environmental and social impacts
	Current Financial Year	**Previous Financial Year**	
R&D	6%	5%	Development of sustainable aviation fuel (SAF) was carried out using combination of fermentation and catalytic process starting with renewable feed stock, sugar cane molasses. Use of this SAF will have almost 40% GHG reduction over conventional fossil jet fuel. Development and deployment of compressed biogas (RNG) or renewable natural gas from biomass residues was done from bench (1 kg/day biomass) to pilot (60 kg/day biomass) to now commercial scale (200 MT/day). The use of CBG in transportation fuel will reduce the overall carbon emissions by 80% over fossil-based NG Development of biodegradable plastics (poly lactic acid and poly hydroxy alkenoate) is at bench scale and a pilot plant is being built to demonstrate the technology at 100 MTA scale. This development will address the issue of single use plastic menace polluting the environment.
Capex	26%	67%	

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) Yes

Suppliers are evaluated on social, ethical and environmental performance parameters. Sustainable sourcing is the key element in the process of selecting and retaining Business Partners. 'Suppliers Code of Conduct' policy is strictly implemented for all the suppliers. This policy also covers aspects such as human & labour rights, Occupational health & safety. All the suppliers have to mandatorily accept this code of conduct. Further to this, business critical suppliers are monitored on levels/grades from A to D. Level D suppliers are audited to ensure their performance against these sustainability parameters.

b. If yes, what percentage of inputs were sourced sustainably?

52% of business critical inputs were sourced sustainably.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Company's products are sold to industrial customers and as such there aren't any products those we have to reclaim at the end of life. Waste generated through Company's operations is reused, recycled and disposed of in line with the extant regulations as per following details:

(a) For Plastics (including packaging)	Disposed through scrap merchant by authorised recycler. Annual Undertaking is taken from the recycler.
(b) For E-waste	Disposed through scrap merchant by authorised recycler. Annual Undertaking is taken from the recycler.
(c) For Hazardous waste	Disposed through scrap merchant by authorised recycler. Annual Undertaking is taken from the recycler.
(d) For Other waste	Reuse of packing material such as wood for repacking

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	1077	1077	100	1077	100	-	-	1077	100	-	-
Female	115	115	100	115	100	115	100	-	-	-	-
Any other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	1192	1192	100	1192	100	115	10*	1077	90**	-	-
Other than Permanent employees											
Male	389	389	100	389	100	-	-	389	100	-	-
Female	22	22	100	22	100	22	100	-	-	-	-
Any other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	411	411	100	411	100	22	5*	389	95**	-	-

* only female employees are considered for maternity benefits

** only male employees are considered for paternity benefits

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Female	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Any other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other than Permanent workers											
Male	1975	1975	100	1975	100	-	-	1975	100	-	-
Female	12	12	100	12	100	12	100	-	-	-	-
Any other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	1987	1987	100	1987	100	12	1*	1975	99**	-	-

* only female employees are considered for maternity benefits

** only male employees are considered for paternity benefits

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

	FY (2022-23)			FY (2021-22)		
	Current Financial Year			Previous Financial Year		
Benefits	**No. of employees covered as a % of total employees**	**No. of workers covered as a % of total workers**	**Deducted and deposited with the authority (Y/N/N.A.)**	**No. of employees covered as a % of total employees**	**No. of workers covered as a % of total workers**	**Deducted and deposited with the authority (Y/N/N.A.)**
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	100%*	100%*	Y	100%*	100%*	Y
Others	N/A	N/A	N/A	N/A	N/A	N/A

Note - * only employees & workers falling under ESIC salary slab are considered above.

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, most of our owned premises are accessible to differently abled employees & workers.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes. The policy is available internally.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

	Permanent employees		Permanent workers	
Gender	**Return to work rate**	**Retention rate**	**Return to work rate**	**Retention rate**
Male	100%	100%	N/A	N/A
Female	100%	100%	N/A	N/A
Any other	N/A	N/A	N/A	N/A
Total	100%	100%	N/A	N/A

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	**N/A**
Other than Permanent Workers	Yes, grievances are raised through verbal or phone communication with dedicated officer. Grievances are addressed through internal procedures. In addition, we have whistle-blower mechanism in place through which issues can be resolved.
Permanent Employees	Yes, employees can connect through verbal, phone or email with the respective Human Resource team member. Grievances are addressed through internal procedures. In addition, we have whistle-blower mechanism in place through which issues can be resolved.
Other than Permanent Employees	Yes, Grievances are raised through verbal, phone or email communication with dedicated officer. Grievances are addressed through internal procedures. In addition, we have whistle-blower mechanism in place through which issues can be resolved.

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

	FY (2022-23) (Current Financial Year)			FY (2021-22) (Previous Financial Year)		
Category	**Total employees / workers in respective category (A)**	**No. of employees / workers in respective category, who are part of association(s) or Union (B)**	**% (B / A)**	**Total employees/ workers in respective category (C)**	**No. of employees / workers in respective category, who are part of association(s) or Union (D)**	**% (D / C)**
Total Permanent Employees	1192	-	0%	979	-	0%
Male	1077	-	0%	879	-	0%
Female	115	-	0%	100	-	0%
Any other	N/A	N/A	N/A	N/A	N/A	N/A
Total Permanent Workers	N/A	N/A	N/A	N/A	N/A	N/A
Male	N/A	N/A	N/A	N/A	N/A	N/A
Female	N/A	N/A	N/A	N/A	N/A	N/A
Any other	N/A	N/A	N/A	N/A	N/A	N/A

8. Details of training given to employees and workers:

Category	FY (2022-23) Current Financial Year					FY (2021-22) Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	1466	1466	100%	1100	75%	1323	1323	100%	795	60%
Female	137	137	100%	103	75%	108	108	100%	65	60%
Any other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	**1603**	**1603**	**100%**	**1203**	**75%**	**1431**	**1431**	**100%**	**860**	**60%**
Other than Permanent workers										
Male	1975	1975	100%	*		1800	1800	100%	*	
Female	12	12	100%			-	N/A	-		
Any other	N/A	N/A	N/A			N/A	N/A	N/A		
Total	**1987**	**1987**	**100%**			**1800**	**1800**	**100%**		

Note - * Company regularly conducts skill upgradation trainings for workers (other than permanent category); numbers are not currently tracked.

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

Category	FY (2022-23) Current Financial Year			FY (2021-22) Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	1077	1077	100%	879	879	100%
Female	115	115	100%	100	100	100%
Any other	N/A	N/A	N/A	N/A	N/A	N/A
Total	1192	1192	100%	979	979	100%
Workers						
Male	N/A	N/A	N/A	N/A	N/A	N/A
Female	N/A	N/A	N/A	N/A	N/A	N/A
Any other	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A

Note – only permanent employees are considered above.

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Yes, a well-documented EOHS (Environmental, Occupational, Health & Safety) policy is in place. One of the objectives of this policy is to provide safe & healthy working conditions for the prevention of work-related injury and ill health.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Company follows procedures for recording of unsafe acts, unsafe conditions & near misses. Audits are conducted at regular intervals. Adoption of ISO 14001:2015 and ISO 45001 for Environmental Safety and Occupational Health & Safety management system helps the Company to fulfil this goal.

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

Yes

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

Yes

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

Safety Incident/ Number	Category	FY (2022-23) Current Financial Year	FY (2021-22) Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers (Other than permanent)	0.48	0.08
Total recordable work-related injuries	Employees	Nil	Nil
	Workers (Other than permanent)	10	1
No. of fatalities	Employees	Nil	Nil
	Workers (Other than permanent)	1	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers (Other than permanent)	1	Nil

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

Company's policy on EOHS (Environmental, Occupational, Health & Safety) strengthens the objective of providing safe & healthy working conditions for the prevention of work-related injury and ill health. Strict adherence to the objectives of this policy along with adoption of ISO 14001:2015 and ISO 45001 ensure a safe and healthy work place. Necessary trainings are imparted to employees, business associates and interested parties to further strengthen the EOHS policy.

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

	FY (2022-23) (Current Financial Year)			FY (2021-22) (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil			Nil		
Health & Safety	Nil			Nil		

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

Note – Audits happen in line with the requirements of complying with ISO 45001

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

- Allotment of safety Officer at each location
- Uniform safety systems implemented at all locations
- Strict monitoring of safety systems
- Adherence to compliance and statutory requirements
- Monitoring and control through audits from external certifying agencies
- Rewards & Recognition for employee motivation.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

   Key stakeholders are identified on the basis of direct or indirect impact they have on the business performance or financial health of the organization. They can also be directly or indirectly influenced by the corporate decisions made by the organization. These stakeholder play very crucial role in the growth of the organization.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	1. Internal communication through email platforms- Praj Connect, Corporate Communication 2. Quarterly Interactions by CEO	Quarterly	Keep employees abreast with happenings in economy, business environment, company specific achievements including business performance of organization
Investors	No	1. Annual report, sustainability report, press releases 2. Investor presentations 3. Corporate website 4. Quarterly & Annual results 5. Analysts / Investor call 6. Participation in Investors' conference	Periodically	Investors prefer to invest in the organizations that deliver consistent performance, that are socially and environmentally responsible, follow good governance
Customers	No	Face to Face meetings- plant visits, Trade Shows/ conferences Electronic communication- Emails, messages Social Media- LinkedIn, Facebook, Twitter	Periodically	Keep customers updated on latest developments, new technologies etc.

PRINCIPLE 5 Businesses should respect and promote human rights.

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY (2022-23) Current Financial Year			FY (2021-22) Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	1192	894	75%	979	734	75%
Other than permanent	411	308	75%	452	339	75%
Total Employees	**1603**	**1202**	75%	**1431**	**1073**	75%
Workers						
Permanent	0	0	n/a	0	0	n/a
Other than permanent	1987	1490	75%	1800	1350	75%
Total Workers	**1987**	**1490**	75%	**1800**	**1350**	75%

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

Category	FY (2022-23) Current Financial Year					FY (2021-22) Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	1077	-	-	1077	100%	879	-	0%	879	100%
Female	115	-	-	115	100%	100	-	0%	100	100%
Any other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other than Permanent										
Male	389	34	9%	355	91%	444	162	36%	282	64%
Female	22	7	32%	15	68%	8	-	0%	8	100%
Any other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Workers										
Permanent										
Male	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Female	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Any other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other than Permanent										
Male	1975	576	29%	1399	71%	1800	900	50%	900	50%
Female	12	4	33%	8	67%	-	N/A	N/A	N/A	N/A
Any other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

	Male		Female		Any other	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	3	5,79,78,478	-	-	-	-
Key Managerial Personnel	1	1,00,60,249	-	-	-	-
Employees other than BoD and KMP	1385	12,34,000	158	7,24,476	-	-
Workers	N/A	N/A	N/A	N/A	N/A	N/A

Note – Executive Chairman, CEO & MD and CFO are included in board of directors, they are also key managerial personnel.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Grievances are registered with Human Resource department which in turn resolves the grievance in line with set internal procedures. In addition, grievances can also be raised through 'Vigil Mechanism and Whistle-blower Policy'. The Audit Committee then appropriately and expeditiously investigates all such grievances in line with the policy for a quick resolution.

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

	FY (2022-23)			FY (2021-22)		
	Current Financial Year			Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	Nil	Resolved	Nil	Nil	Nil
Discrimination at workplace	Nil	Nil	N/A	Nil	Nil	Nil
Child Labour	Nil	Nil	N/A	Nil	Nil	Nil
Forced Labour/Involuntary Labour	Nil	Nil	N/A	Nil	Nil	Nil
Wages	Nil	Nil	N/A	Nil	Nil	Nil
Other human rights related issues	Nil	Nil	N/A	Nil	Nil	Nil

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

Internal committee under POSH, The Protection of Women against Sexual Harassment at Workplace Act, 2013 (POSH Act, 2013)

Company's 'Vigil Mechanism and Whistle-blower Policy' provides that while conducting any investigation, reasonable efforts shall be taken to protect the confidentiality and anonymity of the Whistle blower. This policy further provides that the Company undertakes that the Whistle blower will be protected at all cost, provided he / she is under honest belief that the alleged misbehaviour took place. There will be no harassment of any nature whatsoever to the Whistle blower provided that he/she is under honest belief about the behaviour. This protection will not be available to any Whistle blower who misuses this mechanism for personal benefits.

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

Efforts are extended to implement the relevant policies with Company's Suppliers, Contractors, Company's own and associated Foundations and others within the sphere of influence. Company's Supplier's Code of Conduct covers all aspects related to protection of human rights.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	N/A

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

No major risks or concerns reported.

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

Essential Indicators

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

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A)	24,103 GJ	20,879 GJ
Total fuel consumption (B)	14,763 GJ	7,138 GJ
Energy consumption through other sources (C)	1,762 GJ	1,773 GJ
Total energy consumption (A+B+C)	40,627 GJ	29,790 GJ
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	1,289 GJ/Billion INR	1,451 GJ/Billion INR

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, by Navitas Energy Solutions for Kandla location & by Anercon Consultants for Sanaswadi location.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No

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

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Ground water	43,048 kilolitres	30,990 kilolitres
(iii) Third party water	24,851 kilolitres	21,513 kilolitres
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	67,899 kilolitres	52,503 kilolitres
Total volume of water consumption (in kilolitres)	66,541 kilolitres	51,453 kilolitres
Water intensity per rupee of turnover (Water consumed / turnover)	2,111 kilolitres/Billion INR	2,506 kilolitres/Billion INR

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

We have factored in approx. 2% evaporation losses while arriving at the numbers of water consumption from the numbers of water withdrawal. Since all our premises have STPs & ETPs, no untreated water is released from any of the premises. Water doesn't get incorporated in our products.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, water from STP & ETP is used for gardening & flushing purposes.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	µg/m3	55.3	51.6
SOx	µg/m3	44.5	32.2
Particulate matter (PM)	µg/m3	117.7	115.8
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	mg/m3	0.35	0.22
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, by Unistar environment and research Lab Pvt. Ltd. for Kandla location.

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

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	1,768	1,169
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	4,260	4,148
Total Scope 1 and Scope 2 emissions per rupee of turnover	Grams of CO2 equivalent Per Rupee	0.19	0.26

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

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

i) LED light fittings (wherever feasible) are installed in plants at Kandla & Sanaswadi location and Praj Tower and Matrix location.

ii) Partial electricity is generated through Roof Top Solar Power Plant having 374 Kwp capacity at Praj Matrix location and 62 Kwp capacity at Praj Tower location.

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

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	9.9	16.74
E-waste (B)	8.03	6.5
Bio-medical waste (C)	0.0013	0.0212
Construction and demolition waste (D)	45	50
Battery waste (E)	0.20	4.2
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G) Empty Paint drums, Used lubricant oil & Coolant oil, ETP Sludge	23.27	24.45
Other Non-hazardous waste generated (H). Please specify, if any. Paper, wood & plastics	279.76	463.76
Total (A+B + C + D + E + F + G+ H)	**366.15**	**565.68**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	**-**	**-**

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	2.46 KL of used oil	4.58 KL of used oil
(ii) Landfilling	57	57
(iii) Other disposal operations	Generated waste is disposed through Maharashtra Enviro Power Limited for Manufacturing location in Sanaswadi	Generated waste is disposed through Maharashtra Enviro Power Limited for Manufacturing location in Sanaswadi

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

   Company is into the business of manufacturing plants and machinery for industrial use. Metals are used in majority of the manufacturing process with a very small proportion of non-recyclable material.

   Scrap generated through Company's operations is sold to recycling vendors. The percentage of recycling of scrap is 100%. No major use of hazardous and toxic chemicals. Generated waste is disposed through agencies which are duly approved by the respective local authorities.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
	Nil		

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Nil					

   Company caters to the requirements of the industries. Environmental Impact Assessments (EIA) falls under the scope of the occupier of such industries. Before commencement of any such project work, Company makes sure that all the relevant approvals and permits are in place by the occupier of the premises. All the applicable EIAs are carried out by the occupier of the premises.

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

   Yes - the emissions/waste getting generated through the operations of the Company are within the permissible limits as set out by Central / State Pollution Control Boards.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
	Nil			

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

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations - 14

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industries (CII)	National
2	The Sugar Technologists' Association of India	National
3	Federation of Indian Chambers of Commerce And Industry (FICCI)	National
4	Association of Biotechnology Led Enterprises (ABLE)	National
5	Process Plant & Machinery Association of India (PPMA)	National
6	Council of EU Chambers of Commerce in India	National
7	E-PURE : An association of stakeholders of fuel ethanol industry in European Union	International
8	Bombay Chambers of Commerce	State
9	Indo-American Chamber of Commerce	International
10	World Circular Bioeconomy Forum	International

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Nil		

PRINCIPLE 8 : Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Impact assessment had been done on 'women empowerment' project. In the year 2016, Praj Foundation initiated the program of 'Empowerment of tribal women from Wada block, Palghar district, Maharashtra and making them 'Self Reliant'. The project was implemented by Praj Foundation in partnership with Sukhbhumi India Trust and active participation of the villagers.	This project is done on a voluntary basis		Yes	Yes	https://www.praj.net/wp-content/uploads/2023/04/Women-Empowerment-Project-Impace-Assessment-Report-2022.pdf

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

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
	Nil					

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

   So far there is no recorded case. Project team enhances transparency through following practices:

   - Before commencing any project, the project team interacts with the beneficiaries to understand their needs. This includes taking their consent to be part of the project and their participation is voluntary.
   - The team ensures community ownership.
   - The team ensures the necessary due diligence of the partnering organizations.

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

	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Directly sourced from MSMEs/ small producers	30%	28%
Sourced directly from within the district and neighbouring districts	48%	40%

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

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

   Majority of our customers are industries. There are dedicated project managers for such industrial customers and proper escalation matrix is in place. Respective project manager or customer executive can log consumer / customer complaint online through customer portal (link provided below). Complaints are then tracked for timely and satisfactory resolution.

   Apart from this, Company carries out the Customer Satisfaction Survey periodically in order to understand overall customer feedback and to take suitable corrective actions.

   Online Customer Portal: https://hrsrv.praj.net/prajinternalsites/Login.aspx

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a % to total turnover
Environmental and social parameters relevant to the product	Majority of Company's products are customised and hence, it is not applicable. However, for Bio products, Company displays product information on the product label in compliance with the local laws.
Safe and responsible usage	
Recycling and/or safe disposal	

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

	FY (2022-23) Current Financial Year		Remarks	FY (2021-22) Previous Financial Year		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data Privacy	-	-	Nil	-	-	No significant reporting
Advertising	-	-	-	-	-	-
Cyber-security	-	-	Nil	1	-	In Feb22, we detected and nullified an attack through effective use to our AI based protection system.
Delivery of essential services	N/A	N/A	N/A	N/A	N/A	N/A
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other (Customer Complaints)	Total- 13 Nos.	-	Resolved	Total-26 Nos.	-	Resolved

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	-	-
Forced recalls	-	-

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, this policy is internal and is therefore available on Company's internal portal.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

We are continually improving our proactive security posture. We use AI based Signatureless Antivirus system, network identity protection and intrusion protection system, SOCRadar Web threat hunting to detect any unauthorized data in internet/darknet, Firewalls with IDP and IPS at all locations, Data loss prevention system, and other technologies to protect our systems.

ANNEXURE 9
DIVIDEND DISTRIBUTION POLICY

1. PREAMBLE:

As per Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI LODR Regulations), it is mandatory for top 500 listed entities, based on market capitalization (calculated as on March 31 of every financial year) to formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites.

This Policy sets out the circumstances and different factors for consideration by the Board at the time of taking decisions of distribution or retention of profits, in the interest of providing transparency to its shareholders.

2. SCOPE:

This Policy applies to payment of interim and final dividend by the Company to its shareholders.

3. OBJECTIVE:

The objective of the Policy is to regulate dividend payment and a well-defined approach, dividend pay-out, keeping in view compliance with all applicable regulations.

4. DECLARATION OF DIVIDEND:

The Board reserves the right to declare interim dividend/ recommend final dividend to the shareholders during any financial year out of the surplus in the profit and loss account and/ or out of the profits of the financial year in which such interim dividend is sought to be declared, subject to the provisions of the Companies Act, 2013 and the rules made thereunder ("Act"), including the Companies (Declaration and Payment of Dividend) Rules, 2014 ("Rules") and other applicable laws and conditions, as amended from time to time.

5. THE FACTORS CONSIDERED WHILE RECOMMENDING/DECLARING DIVIDEND:

- The Board, while declaring or recommending dividend shall ensure compliance with statutory requirements under applicable law including the provisions of the Companies Act, 2013, Rules and the SEBI LODR Regulations.
- The Board may not declare or recommend dividend for a particular period, if it is of the view that it would be prudent to conserve profits for the then ongoing or planned business expansion or other activities for the benefit of the Company.
- The Board may consider declaring interim dividends during the year. Additionally, the Board may recommend the final dividend for the approval of the shareholders at the annual general meeting.
- The dividend for any financial year shall be paid:
  - (a) out of the Company's profits for that year (arrived at after providing for depreciation in accordance with applicable law and transferring such amount to reserves as may be prescribed or as may be considered appropriate by the Board of the Company); and / or
  - (b) out of accumulated profits of any previous financial year(s) in accordance with provisions of the Companies Act, 2013, Rules, Listing Regulations, and any other applicable law.
- In the event of inadequacy or absence of profits in any year, if the Board considers appropriate, the Company may declare dividends out of the accumulated profits earned by it in previous years and transferred by the Company to the free reserves subject to the fulfilment of the conditions laid down in the applicable law.

6. FINANCIAL PARAMETERS CONSIDERED FOR DECLARATION OF DIVIDEND:

The Board shall consider the following financial/ internal parameters while declaring or recommending dividend to the shareholders of the Company:

(a) Investment opportunities, i.e., opportunities for expansion and diversification into new projects, acquisitions and/ or any other potential strategic actions that may help the Company grow.

(b) Liquidity position of the Company.

(c) Growth in earnings of the Company.

(d) Restrictions in debt agreements, if any, executed with lenders in relation to the payment of dividends.

(e) Track record of payment of dividend, historically.

(f) State of the economy and nature of industry.

(g) Macro-economic and business conditions in general; and

(h) Current year profits and outlook in line with the development of internal and external environment.

(i) Operating cash flows and treasury position.

(j) Possibilities of alternate usage of cash, e.g. capital expenditure etc., with potential to create greater value for shareholders.

(k) Providing for unforeseen events and contingencies with financial implications.

The Board may declare interim dividend(s) as and when they consider it fit, and recommend final dividend to the shareholders for their approval in the general meeting of the Company.

In case the Board proposes not to distribute the profit; the grounds thereof and information on utilization of the undistributed profit, if any, shall be disclosed to the shareholders in the Annual Report of the Company.

The dividend distribution shall be in accordance with the applicable provisions of the Companies Act, 2013, Rules framed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other legislations governing dividends and the Articles of Association of the Company, as in force and as amended from time to time.

7. UTILISATION OF RETAINED EARNINGS:

The Company maintains enough retained earnings to address the financing of working capital, capital expenditure, corporate actions, inter alia, buyback and reduction of capital, and unanticipated and emergency expenditures. The Company may also use the retained earnings for such purposes as are within the provisions the Act, Rules, Listing Regulations, and any other applicable law.

8. AMENDMENTS:

The Board may, subject to applicable law, amend, suspend, or rescind this Policy at any time. Any difficulties or ambiguities in this Policy will be resolved by the Board, in line with the broad intent of this Policy, as and when required.

9. CHANGE IN LAW:

In case of any subsequent changes in the provisions of the Companies Act, 2013 or further rules and regulations / guidelines including SEBI LODR Regulations, or any other regulations which make any of the provisions of this Policy inconsistent, the provisions of the Act or such other regulations would prevail over this Policy and the relevant provisions contained in the Policy would be modified accordingly in due course to make it consistent with applicable laws.

10. DISCLAIMER:

This Policy shall not be construed as a solicitation for investments in the Company's securities and shall neither act as an assurance of guaranteed returns (in any form), on investments in the Company's securities.

Independent Auditors' Report

TO THE MEMBERS OF PRAJ INDUSTRIES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of Praj Industries Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 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 significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit and other comprehensive income, its changes in equity and its cash flows for the year ended on that 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 Standards are further described in the Auditor's 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 the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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	**Principle Audit Procedures**
The Company is engaged in the business of process and project engineering. The Company recognises revenue from contracts on satisfaction of performance obligations over a period of time. Refer note 2.12 and 27 to the Standalone Financial Statements. There are significant accounting judgements including estimation of costs to complete, determining the stage of completion and the timing of revenue recognition. The Company recognises revenue and profit/loss on the basis of stage of completion based on the proportion of contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion. The recognition of revenue and profit/loss therefore rely on estimates in relation to total estimated costs of each contract. Cost contingencies are included in these estimates to take into account specific uncertain risks, or disputed claims against the Company, arising within each contract. These contingencies are reviewed by the Management on a regular basis throughout the contract life and adjusted where appropriate.	i. Testing of the design and implementation of controls involved for the determination of the estimates used as well as their operating effectiveness; ii. Testing a sample of contracts for appropriate identification of performance obligations and verification of contract value; iii. For the sample selected, matched the contract revenue, actual invoices recorded and actual cost incurred against each project on the basis on which revenue is recognised; iv. Reviewed on a test check basis significant changes in cost to complete estimates, its approval mechanism and understood the reasons for such revisions in estimates; v. Understood the process, nature of expense heads and overheads adopted by the Company's management to estimate costs for sample contracts; vi. Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings; vii. We have ensured that the disclosures provided in notes are in accordance with the Ind AS 115 and Companies Act, 2013.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis; Board of Directors' Report along with its Annexures and Corporate Governance Report included in the Annual Report but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained 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.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

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

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

In preparing the Standalone Financial Statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional 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 controls 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 the Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 controls that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 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.

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

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

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

   c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the 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 specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

   e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls 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.

   g) As required by section 197 (16) of the Act; in our opinion and according to information and explanation provided to us, the remuneration paid/provided by the Company to its directors for the current year is in accordance with the provisions of section 197 of the Act and remuneration paid/provided to directors is not in excess of the limit laid down under this section.

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

      (i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 26;

      (ii) The Company has made provision, as required under any law or accounting standards, for material foreseeable losses on long term revenue contracts. The Company did not material foreseeable losses on any derivative contracts;

      (iii) There is no delay in amount required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023.

(iv) (a) The management has represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented to us, that, to the best of its knowledge and belief no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the information and explanation given to us and audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations made by the management and as mentioned under sub-clause (iv)(a) and (iv)(b) above contain any material misstatement.

(v) The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

(vi) The requirement to use accounting software that includes an audit trail (edit log) feature for maintaining a Company's books of account, as mandated by rule 3(1) of the Companies (Accounts) Rules, 2014, has been postponed until the financial years beginning on or after April 1, 2023. As a result, we are not able to report under Rule 11(g) of the Companies (Audit & Auditors) Rules, 2014 for the financial year that ended on March 31, 2023.

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration Number: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership Number: 136835
UDIN: 23136835BGXPOK8077

Pune
May 25, 2023

Annexure A to the Independent Auditors' Report

Referred to in paragraph 1 under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company is maintaining proper records showing full particulars of intangible assets.

(b) The Company has a regular program of physical verification of its property, plant and equipment by which its property, plant and equipment are verified in a phased manner over a period of three years. In our opinion, the periodicity of physical verification of property, plant and equipment is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program portion of the property, plant and equipment were verified during the year and according to the information and explanation provided to us by the Management no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, title deeds of immovable properties as disclosed in the Standalone Financial Statements (refer note 3) are held in the name of the Company.

(d) The Company has chosen cost model for its property, plant and equipment (including Right to Use Assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of property, plant and equipment (including Right to Use Assets) or intangible assets does not arise.

(e) According to the information and explanations provided to us, there are no proceedings that have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The inventory has been physically verified by the management during the year. For inventory lying with third parties as on the balance sheet date a confirmation statement has been obtained from such parties covering a significant portion. In our opinion, the frequency, coverage and procedure of such verification is reasonable and appropriate. The discrepancies noticed on verification between the physical stocks and the book records were not 10% or more in the aggregate for each class of inventory and have been properly dealt with in the books of account.

(b) According to the information and explanations provided to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.

The Management of the Company has provided us with the quarterly returns or statements, which they have represented to us have been filed by the Company with their banks or financial institutions based on the sanction terms. We have compared such quarterly returns or statements with the unaudited books of accounts for the quarters ending June 2022, September 2022 and December 2022. As informed to us, the Company files March 31, 2023 quarterly return post approval of financials by the Board of Directors. Based on our procedures and in our opinion the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement/reconciled with the books of account of the Company.

iii. According to the information and explanations provided to us, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year and does not have any opening loan balances. Accordingly, reporting on clause 3 (iii) (a), (c), (d), (e) and (f) of the Order is not applicable. The Company has made investments in bonds and mutual funds.

(b) According to information and explanation provided to us and in our opinion, the investments made by the Company during the year in bonds and mutual funds are, prima facie; not prejudicial to the interest of the Company.

iv. According to information and explanation provided to us, the Company has not granted any loans, made investments, provided guarantees and securities in the current year that are covered under the provisions of Sections 185 and 186 of the Act. Accordingly, reporting on clause 3 (iv) of the Order is not applicable.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules made thereunder or amounts which are deemed to be deposits. Accordingly, reporting on clause 3 (v) of the Order is not applicable.

vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Act, and are of the opinion that, prima facie, the prescribed records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, during the year, the Company did not have any dues on account of Cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues referred in sub clause (a) above were in arrears as at March 31, 2023, for a period of more than six months from the date they became payable except

Name of Statue	Nature of Dues	Amount (Rs) Million	Period to which amount relates	Due Date	Date of Payment
The Employees' Provident Fund and Miscellaneous Provisions Act, 1952	Employee and Employer share	0.394	April 2022 to September 2022	15 of next month	Not Paid

Late payment of Provident Fund contribution is due to pendency of linkage between employee Universal Account Number (UAN) and Aadhar Number from some of the employees which is prerequisite for depositing Provident Fund contribution.

(b) According to the information and explanations given to us, there are no dues of statutory dues referred in sub clause (a) above as at March 31, 2023, which have not been deposited by the Company on account of disputes, except for the following:

Name of Statue	Nature if Dues	Amount #	Paid under protest	Period to which the amount relates	Forum where the dispute is pending
The Maharashtra Value Added Tax, 2002	MVAT	30.260	10.087	FY 2010-11	Joint Commissioner Appeals
The Maharashtra Value Added Tax, 2002	MVAT	3.393	0.520	FY 2017-18	Maharashtra Sales Tax Tribunal
The Income Tax Act, 1961	Income Tax	14.174 141.007	Nil	AY 2019-20 AY 2020-21	CIT Appeals
The Income Tax Act, 1961	Income Tax	51.077	Nil	AY 2021-22	Deputy Commissioner

Amount disclosed above includes interest and penalty, wherever applicable.

viii. According to the information and explanations given to us and records examined by us, there are no transactions which were not recorded in the books of account and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) The Company does not have any loans or borrowings. Accordingly, reporting on clause 3 (ix) (a) of the Order is not applicable.

(b) According to the information and explanations given to us, our audit procedures and as represented to us by the management, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations given to us and in our opinion, no term loans availed by the Company in the current year. Accordingly reporting on clause 3 (ix) (c) is not applicable.

(d) According to the information and explanations given to us, the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds (borrowings) from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us 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, joint ventures or associate companies.

x. a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting on clause 3 (x) (a) of the Order is not applicable.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting on clause x(b) is not applicable.

xi. (a) Based upon the audit procedures performed by us and according to the information and explanation provided to us by the management, no fraud by the Company or no fraud on the Company has been noticed or reported to us during the year.

(b) According to information and explanation provided to us and based on our examination of records, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and up to the date of this report.

(c) According to information and explanation provided to us and based on our audit procedures and enquiry with the vigil mechanism committee, there were no whistle-blower complaints received by the Company during the year and up to the date of this report.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting on clause 3 (xii) (a), (b) & (c) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the details of transactions have been disclosed in the Standalone Financial Statements as required by Ind AS 24 'Related Party Disclosures'. Refer note 29.

xiv. (a) According to the information and explanations given to us and in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have taken into consideration the reports made available to us by the management of the Internal Auditors for the period under audit.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with the directors or persons connected with them during the year. Accordingly, reporting on clause 3(xv) of the Order is not applicable.

xvi. (a) 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, 1934. Accordingly, reporting on clause 3(xvi) (b) & (c) of the Order is not applicable.

(d) According to the information and explanations given to us, there are no Core Investment Company within the Group.

xvii. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting on clause 3 (xviii) of the Order is not applicable.

xix. According to the information and explanations given to us and 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 material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) According to the information and explanations given to us, there is no amount remaining unspent towards Corporate Social Responsibility (CSR) under sub-section (5) of section 135 of the Act, pursuant to any ongoing project. Accordingly, reporting on clause 3 (xx) (b) is not applicable.

For **P G BHAGWAT LLP**
Chartered Accountants
Firm's Registration Number: 101118W/ W100682

Abhijeet Bhagwat
Partner
Membership Number: 136835
UDIN: 23136835BGXPOK8077

Pune
May 25, 2023

Annexure B to the Independent Auditors' Report

Referred to in paragraph 2 (f) under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

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

We have audited the internal financial controls with reference to the Standalone Financial Statements of Praj Industries Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Standalone Financial Statements were established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial controls with reference to the Standalone Financial Statements

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

Meaning of Internal Financial controls with reference to the Standalone Financial Statements

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

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

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

Opinion

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

For **P G BHAGWAT LLP**
Chartered Accountants
Firm's Registration Number: 101118W/ W100682

Abhijeet Bhagwat
Partner
Membership Number: 136835
UDIN: 23136835BGXPOK8077

Pune
May 25, 2023

Balance Sheet as at 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

Particulars	Note no.	31 March 2023	31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	**2174.182**	1875.135
Capital work-in-progress	3	**65.956**	14.261
Investment property	3	**136.928**	136.928
Intangible assets	3	**38.404**	10.007
Intangible assets under development	3	**0.763**	6.656
Financial assets			
Investments	4	**2413.210**	2220.854
Others	5	**86.226**	77.733
Deferred tax assets (net)	24	**39.314**	-
Other assets	6	**49.494**	23.983
		5004.477	**4365.557**
Current assets			
Inventories	7	**2975.542**	3048.009
Financial assets			
Investments	4	**4484.407**	3906.273
Trade receivables	8	**6797.313**	4169.398
Cash and cash equivalents	9	**590.807**	782.092
Other bank balances	10	**286.209**	277.691
Others	5	**188.129**	287.268
Current tax asset (net)		**41.912**	38.692
Other assets	6	**4004.066**	3871.262
		19368.385	**16380.685**
TOTAL ASSETS		**24372.862**	**20746.242**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	11	**367.426**	367.346
Other equity	12	**10294.427**	8697.130
TOTAL EQUITY		**10661.853**	**9064.476**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease Liability	30	**244.554**	126.140
Provisions	13	**116.218**	154.616
Deferred tax liabilities (net)	24	**-**	30.343
		360.772	**311.099**
Current liabilities			
Financial liabilities			
Trade payables	14		
(i) Total outstanding dues of micro enterprises and small enterprises		**1038.312**	251.595
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		**3408.540**	3439.749
Lease Liability	30	**147.024**	46.293
Other financial liabilities	15	**358.412**	280.854
Other current liabilities	16	**7715.808**	7087.683
Provisions	13	**397.827**	202.598
Current tax liabilities (net)		**284.314**	61.895
		13350.237	**11370.667**
TOTAL LIABILITIES		**13711.009**	**11681.766**
TOTAL EQUITY AND LIABILITIES		**24372.862**	**20746.242**
Corporate Information	1		
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date.

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Regn. No: 101118W/W100682

For and on behalf of the Board of Directors of Praj Industries Limited

Abhijeet Bhagwat
Partner
Membership No.: 136835

Dr. Pramod Chaudhari
Executive Chairman
(DIN : 00196415)

Shishir Joshipura
CEO and Managing Director
(DIN : 00574970)

Sachin Raole
CFO and Director - Resources
(DIN : 00431438)

Place: Pune
Date: 25 May 2023

Dattatraya Nimbolkar
Chief Internal Auditor and
Company Secretary (M.No.: ACS4660)

Statement of profit and loss for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

Particulars	Note no.	31 March 2023	31 March 2022
INCOME			
Revenue from operations	17	**31525.730**	20623.363
Other income	18	**506.357**	516.647
Total income		**32032.087**	**21140.010**
EXPENSES			
Cost of materials consumed	19	**20920.783**	13668.799
Changes in inventories of finished goods and work-in-progress	20	**(345.199)**	(301.349)
Employee benefits expense	21	**2248.658**	1858.886
Finance costs	22	**42.111**	21.444
Depreciation and amortisation expense	3	**269.184**	198.433
Exchange (gain) / loss		**(106.613)**	(107.720)
Other expenses	23	**5911.490**	3662.564
Total expenses		**28940.414**	**19001.057**
Profit before exceptional items and tax		**3091.673**	**2138.953**
Exceptional items		**-**	**-**
Profit before tax		**3091.673**	**2138.953**
Tax expense	24		
Current tax		**778.559**	361.000
Deferred tax		**(62.968)**	108.119
Adjustments of tax relating to earlier periods		**-**	25.930
Total tax expense		**715.591**	**495.049**
Profit for the year		**2376.082**	**1643.904**
Other comprehensive income			
Items that will not be reclassified to profit and loss:			
Re-measurement of defined benefit plans		**(21.320)**	(11.172)
Income tax effect		**5.366**	2.812
Items that will be reclassified to profit or loss			
Debt instruments through other comprehensive income		**(5.261)**	-
Income tax effect		**1.324**	-
Other comprehensive income		**(19.891)**	**(8.360)**
Total comprehensive income for the year		**2356.191**	**1635.544**
Earnings per equity share (Nominal value per share INR 2 each)	25		
Basic		**12.94**	8.95
Diluted		**12.93**	8.95
Corporate Information	1		
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date.

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Regn. No: 101118W/W100682

For and on behalf of the Board of Directors of Praj Industries Limited

Abhijeet Bhagwat
Partner
Membership No.: 136835

Dr. Pramod Chaudhari
Executive Chairman
(DIN : 00196415)

Shishir Joshipura
CEO and Managing Director
(DIN : 00574970)

Sachin Raole
CFO and Director - Resources
(DIN : 00431438)

Place: Pune
Date: 25 May 2023

Dattatraya Nimbolkar
Chief Internal Auditor and
Company Secretary (M.No.: ACS4660)

Cash Flow Statement for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

		31 March 2023	31 March 2022
A.	Cash flow from operating activities		
	Net profit before tax	**3091.673**	2138.953
	Adjustments for:		
	Loss / (profit) on sale of property, plant and equipment	**-**	(0.473)
	Gain on redemption of mutual fund investments	**(53.819)**	(57.514)
	Bad debts / provision for doubtful debts and advances	**173.550**	33.791
	Excess provision / creditors written back (including advances)	**(41.210)**	(2.963)
	Unrealised foreign exchange (gain) / loss (net)	**15.105**	(72.118)
	Depreciation and amortisation	**269.184**	198.433
	Interest earned	**(61.314)**	(66.137)
	Provision for Impairment	**-**	(1.627)
	Unrealised gain on mutual fund investments	**(141.867)**	(54.694)
	Dividend from mutual fund Subsidiary	**(200.000)**	(300.000)
	Interest on Lease Liability	**28.089**	16.802
	Interest expense	**10.639**	0.021
	Equity-settled share-based payment transactions	**7.848**	29.355
	Operating profit before working capital changes	**3097.878**	**1861.829**
	Changes in working capital		
	Decrease/ (increase) in trade receivables	**(2775.510)**	(486.370)
	(Increase)/decrease in inventories (including contracts in progress)	**(173.458)**	(3624.022)
	(Increase)/decrease in other non-current financial assets	**(8.493)**	12.162
	Decrease/(increase) in other non-current assets	**0.996**	0.902
	(Increase)/decrease in current financial assets-others	**48.901**	(158.326)
	Decrease/(increase) in other current assets	**112.771**	(385.487)
	(Decrease)/increase in trade payables	**735.753**	814.474
	(Decrease)/increase in other current financial liabilities	**78.371**	21.994
	(Decrease)/increase in other current liabilities	**628.125**	3746.187
	(Decrease)/Increase in long term provisions	**(59.718)**	(0.560)
	(Decrease)/Increase in short term provisions	**195.227**	124.971
	Cash generated from operations	**1880.843**	**1927.754**
	Direct taxes paid (including taxes deducted at source), net of refunds	**(570.000)**	**(397.092)**
	NET CASH FROM OPERATING ACTIVITIES	**1310.843**	**1530.662**

(All amounts are in Indian rupees million unless otherwise stated)

		31 March 2023	31 March 2022
B.	**Cash flow from investing activities**		
	Purchase of property, plant and equipment and intangible assets	**(340.097)**	(163.190)
	Investments:		
	- in mutual funds	**(4231.505)**	(4499.775)
	- in debentures & bonds	**(883.252)**	(254.119)
	Sale of investments		
	- in subsidiary	**-**	8.627
	- in mutual funds	**4134.858**	3483.278
	- in debentures and bonds	**399.835**	-
	Proceeds from sale of property, plant and equipment	**2.095**	0.724
	Interest received on investments	**63.135**	61.362
	Dividend received on investments/ from subsidiary	**200.000**	300.000
	(Investment) /redemption in fixed deposits	**(8.168)**	-
	NET CASH FROM / (USED) IN INVESTING ACTIVITIES	**(663.099)**	**(1063.093)**
C.	**Cash flow from financing activities**		
	Proceeds from exercise of employee stock options	**3.600**	26.209
	Dividend paid	**(771.073)**	(396.808)
	Interest on Lease Liability	**(28.089)**	(16.802)
	Principal payment on Leases	**(111.790)**	(46.713)
	Interest paid	**-**	(0.022)
	NET CASH FROM / (USED) IN FINANCING ACTIVITIES	**(907.352)**	**(434.136)**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(259.608)**	**33.433**
	Cash and cash equivalents at the beginning of the year (Refer Note 9)	**782.092**	**721.294**
	Add: effect of exchange rate changes on cash and cash equivalents	**68.323**	**27.365**
	Cash and cash equivalents at the end of the year (Refer Note 9)	**590.807**	**782.092**
	Notes:		
	The statement of cash flows has been prepared under the 'Indirect method' as set out in Ind AS 7		

The accompanying notes are an integral part of the cash flow statement

As per our report of even date.

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Regn. No: 101118W/W100682

For and on behalf of the Board of Directors of Praj Industries Limited

Abhijeet Bhagwat
Partner
Membership No.: 136835

Dr. Pramod Chaudhari
Executive Chairman
(DIN : 00196415)

Shishir Joshipura
CEO and Managing Director
(DIN : 00574970)

Sachin Raole
CFO and Director - Resources
(DIN : 00431438)

Place: Pune
Date: 25 May 2023

Dattatraya Nimbolkar
Chief Internal Auditor and
Company Secretary (M.No.: ACS4660)

Statement of changes in equity for the year ended 31st March 2023

(Amounts in Indian Rupees million unless otherwise stated)

A. Equity share capital

Balance as on 1 April 2021	Changes in equity share capital during the year	Balance as on 31 March 2022
366.458	0.888	367.346
Balance as on 1 April 2022	**Changes in equity share capital during the year**	**Balance as on 31 March 2023**
367.346	0.080	367.426

B. Other equity

Particulars	Reserves and Surplus									Total
	Capital Reserve	Securities Premium Reserve	Other Reserves				General reserve	Retained earnings	Debt instruments through Other Comprehensive Income	
			Capital redemption reserve	Amalgamation reserve	Share option outstanding account	Special Economic Zone Re-investment Reserve				
Balance at the beginning of the reporting period as at 1 April 2021	**0.033**	**982.276**	**14.627**	**3.063**	**18.624**	**383.900**	**956.511**	**5044.446**	**-**	**7403.480**
Profit for the year								1643.904		1643.904
Other comprehensive income								(8.360)		(8.360)
Dividends								(396.570)		(396.570)
Transfer to retained earnings										-
Employee stock options exercised during the year		43.721			(18.400)					25.321
Equity settled share based payment to employees					29.355					29.355
Employee stock options expired and transferred to/from statement of profit and loss					(0.224)			0.224		-
Transfer to/from Special Economic Zone Re-investment Reserve						(61.400)		61.400		-
Balance as at 31 March 2022	**0.033**	**1025.997**	**14.627**	**3.063**	**29.355**	**322.500**	**956.511**	**6345.044**	**-**	**8697.130**

Balance at the beginning of the reporting period as at 1 April 2022	**0.033**	**1025.997**	**14.627**	**3.063**	**29.355**	**322.500**	**956.511**	**6345.044**	**-**	**8697.130**
Profit for the year								2376.082		2376.082
Other comprehensive income								(15.954)	(3.937)	(19.891)
Dividends								(770.260)		(770.260)
Transfer to retained earnings										-
Employee stock options exercised during the year		14.150			(10.632)					3.518
Equity settled share based payment to employees					7.848					7.848
Employee stock options expired and transferred to/from statement of profit and loss					-			-		-
Transfer to/from Special Economic Zone Re-investment Reserve						(159.500)		159.500		-
Balance as at 31 March 2023	**0.033**	**1040.147**	**14.627**	**3.063**	**26.571**	**163.000**	**956.511**	**8094.412**	**(3.937)**	**10294.427**

As per our report of even date.

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Regn. No: 101118W/W100682

For and on behalf of the Board of Directors of Praj Industries Limited

Abhijeet Bhagwat
Partner
Membership No.: 136835

Dr. Pramod Chaudhari
Executive Chairman
(DIN : 00196415)

Shishir Joshipura
CEO and Managing Director
(DIN : 00574970)

Sachin Raole
CFO and Director - Resources
(DIN : 00431438)

Place: Pune
Date: 25 May 2023

Dattatraya Nimbolkar
Chief Internal Auditor and
Company Secretary (M.No.: ACS4660)

1 The corporate overview

Praj Industries Limited ('PIL' or 'the company') is a public company domiciled in India and incorporated under the provisions of Indian Companies Act. The company's registered office is "Praj Tower", S. No. 274 and 275/2, Bhumkar Chowk-Hinjewadi road, Hinjewadi, Pune – 411057, Maharashtra, India. The company's ordinary shares are listed on the Bombay Stock Exchange and National Stock Exchange in India.

The company is engaged in the business of process and project engineering. The company caters to both domestic and international markets. Further, the company also provides design and engineering services.

2 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of the company comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The company has elected to present (gains) or losses arising from foreign exchange differences in a separate line item "Exchange (gain)/ loss" on the face of the statement of profit and loss.

The financial statements were authorised for issue by the Board of Directors on 25 May 2023.

2.2 Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following items, which are measured on an alternative basis on each reporting date.

Items	Measurement basis
Derivative financial instruments at fair value through profit or loss	Fair value
Certain non-derivative financial instruments at fair value through profit or loss and fair value through other comprehensive income	fair value
Equity-settled share based payment transactions	Grant date fair value
Defined benefit plan assets	Fair value

2.3 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the company's functional currency. All amounts have been rounded-off to the nearest million, as per the requirements of Schedule III, unless otherwise stated.

2.4 Significant accounting judgments, estimates and assumptions

The preparation of the financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities and disclosure of the contingent liabilities at the end of each reporting period. Actual estimates may differ from these estimates.

Detailed information about each of these estimates and judgements is included in relevant notes.

The areas involving critical estimates and judgements are:

- Estimation of current tax expense and payable – Note 24
- Estimation of defined benefit obligation – Note 31
- Recognition of revenue – Note 27
- Recognition of deferred tax assets for carried forward tax losses – Note 24
- Impairment of trade receivables – Note 36

Estimation and underlying assumptions are reviewed on ongoing basis. Revisions to estimates are recognised prospectively.

2.5 Current versus non-current classification

The company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

2.6 Property, plant and equipment

- **Recognition and measurement**

  Items of property, plant and equipment are measured at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost.

  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.

  Property, plant and equipment under construction are disclosed as capital work-in-progress.

  Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are disclosed under ‘Other non-current assets’.

- **Subsequent costs**

  The cost of replacing a part of an item of property, plant and equipment is recognised 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 carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss as incurred.

- **Disposal**

  An item of property, plant and equipment is derecognised upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on 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 recognised net within other income/ expenses in the statement of profit and loss.

- **Depreciation**

  Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment as prescribed in Schedule II of the Companies Act, 2013, as assessed by the management of the company based on technical evaluation. Freehold land is not depreciated.

  The property, plant and equipment acquired under finance leases is depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the company will obtain ownership by the end of the lease term.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Useful life (in years)
Buildings	30-60
Plant and machinery	7.5-15
Computers and office equipment	3-5
Vehicles	8
Furniture and fixtures	10

2.7 Intangible assets

- **Recognition and measurement**

Intangible assets are recognised when the asset is identifiable, is within the control of the company, it is probable that the future economic benefits that are attributable to the asset will flow to the company and cost of the asset can be reliably measured.

Expenditure on research activities is recognised in the statement of profit and loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the company intends to and has sufficient resources to complete development and to use or sell the asset.

Intangible assets acquired by the company that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level..

- **Subsequent measurement**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

- **Amortisation**

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation is recognised in statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for current and comparative periods are as follows:

Asset	Useful life
Technical know-how	5 - 10 years
Software	5 years

2.8 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property.

Investment property is initially measured at cost, including related transaction costs. The cost of investment property includes its purchase price and directly attributable expenditure, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Subsequent to the initial recognition, investment property is stated at cost less accumulated depreciation and accumulated impairment loss, if any. Depreciation on investment property has been provided in a manner that amortises the cost of the assets over their estimated useful lives on straight line method as per the useful life prescribed under Schedule II to the Act. Investment property in the form of land is not depreciated.

Investment property is derecognised either when it is disposed off or permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

Notes to the financial statements for the year ended 31st March 2023

2.9 Impairment of non-financial assets

The company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are considered.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in the statement of profit and loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, 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 amortisation, if no impairment loss had been recognised.

2.10 Inventories

Raw materials, components, stores and spares, work-in-progress and finished goods are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost of raw materials, components, stores and spares comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated based on normal operating capacity. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory based on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.11 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.12 Revenue recognition

Revenue is recognised when performance obligation is satisfied by transferring promised goods or services and to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the transaction price (consideration) allocated to performance obligation adjusted for returns, trade allowances, rebates, and excludes taxes collected from customer on behalf of government and amounts collected on behalf of third parties.

- **Contract revenue**

  Revenue from fixed price contracts is recognised over time, when the outcome of the contract can be estimated reliably by reference to the percentage of completion of the contract on the reporting date under input method. Percentage of completion is determined as a proportion of costs incurred-to-date to the total estimated contract costs. In respect of process technology and design and engineering contracts percentage of completion is measured with reference to the milestones specified in the contract, which in the view of the management reflects the work performed and to the extent it is reasonably certain of recovery.

  Contract costs include costs that relate directly to the specific contract and costs that are attributable to the contract activity and allocable to the contract. Costs that cannot be attributed to contract activity are expensed when incurred.

  When the final outcome of a contract cannot be reliably estimated, contract revenue is recognised only to the extent of costs incurred that are expected to be recoverable. The provision for expected loss is recognised immediately when it is probable that the total estimated contract costs will exceed total contract revenue.

Variations, claims and incentives are recognised as a part of contract revenue to the extent it is probable that they will result in revenue and are capable of being reliably measured.

Determination of revenues under the percentage of completion method necessarily involves making estimates by the company, some of which are of a technical nature, concerning, where relevant, the percentage of completion, costs to completion, the expected revenues from the project / activity and the foreseeable losses to completion.

Execution of contracts necessarily extends beyond accounting periods. Revision in costs and revenues estimated during the course of the contract are reflected in the accounting period in which the facts requiring the revision become known.

- **Sale of goods and rendering of services**

Revenue from sale of goods in the course of ordinary activities is recognised when property in the goods or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection.

Revenue from services is recognised as the related services are performed.

2.13 Other income

- **Interest income**

Interest income from debt instruments is recognised using effective interest rate method (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

- **Dividends**

Dividends are recognised in the statement of profit and loss only when the right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount can be measured reliably.

- **Export benefits**

Export benefits in the form of Duty Draw Back / Merchandise Exports Incentive Scheme (MEIS) / Service Exports Incentive Scheme (SEIS) claims are recognised in the statement of profit and loss on receipt basis.

2.14 Foreign currency transactions and balances

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting period are translated at the closing exchange rates and the resultant exchange differences are recognised in the statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

2.15 Employee benefits

- **Short-term employee benefit**

Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised in the period in which the employee renders the related service.

- **Post-employment benefits**

Defined contribution plans

Contributions to the provident fund, pension scheme, employee state insurance scheme and superannuation fund, which are defined contribution schemes, are recognised as an employee benefit expense in the statement of profit and loss in the period in which the contribution is due.

Notes to the financial statements for the year ended 31st March 2023

Defined benefit plans

The employees' gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the reporting date, having maturity periods approximating to the terms of related obligations.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

In case of funded plans, the fair value of the plan's assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The company recognises gains/ losses on settlement of a defined plan when the settlement occurs..

Other long-term employee benefits

The liabilities for earned leave are not expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method as determined by actuarial valuation. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Termination benefits

Termination benefits are expensed at the earlier of when the company can no longer withdraw the offer of those benefits and when the company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

2.16 Share-based payments

The grant fair value of equity settled share based payment awards granted to employees is recognised as employee benefit expense with corresponding increase in equity. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are required to be satisfied. At the end of each reporting period, the company revises its estimates of the number of options that are expected to vest based on the service and non-vesting conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit and loss, with a corresponding adjustment to equity.

2.17 Leases

Lease is a contract that provides to the customer (lessee) the right to use an asset for a period of time in exchange for consideration.

a. Company as a Lessee

A lessee is required to recognise assets and liabilities for all leases and to recognise depreciation of leased assets separately from interest on lease liabilities in the statement of Profit and Loss. The Company uses the practical expedient to apply the requirements of this standard to a portfolio of leases with similar characteristics if the effects on the financial statements of applying to the portfolio does not differ materially from applying the requirement to the individual leases within that portfolio.

However according to Ind AS 116, for leases with a lease term of 12 months or less (short-term leases) and for leases for which the underlying asset is of low value, not to recognize a right-of-use asset and a lease liability. The Company applies both recognition exemptions. The lease payments associated with those leases are generally recognized as an expense on a straight-line basis over the lease term or another systematic basis if appropriate.

a.1 Right to use asset

Right-of-use assets, which are included under property, plant and equipment, are measured at cost less any accumulated depreciation and, if necessary, any accumulated impairment. The cost of a right-of-use asset comprises the present value of the outstanding lease payments plus any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs and an estimate of costs to be incurred in dismantling or removing the underlying asset. In this context, the Company also applies the practical expedient that the payments for non-lease components are generally recognized as lease payments. If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the right-of-use asset is depreciated to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated to the end of the lease term.

a.2 Lease liability

Lease liabilities, which are assigned to financing liabilities, are measured initially at the present value of the lease payments. Subsequent measurement of a lease liability includes the increase of the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

b. Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Company is a lessor under an operating lease, the asset is capitalised within property, plant and equipment and depreciated over its useful economic life. Payments received under operating leases are recognised in the Statement of profit and Loss on a straight-line basis over the term of the lease.

Critical accounting estimates and judgements

Critical judgements required in the application of Ind AS 116 may include, among others, the following:

- Identifying whether a contract (or part of a contract) includes a lease;
- Determining whether it is reasonably certain that an extension or termination option will be exercised;
- Classification of lease agreements (when the entity is a lessor);
- Determination of whether variable payments are in-substance fixed;
- Establishing whether there are multiple leases in an arrangement;
- Determining the stand-alone selling prices of lease and non-lease components.

Key sources of estimation uncertainty in the application of Ind AS 116 may include, among others, the following:

- Estimation of the lease term;
- Determination of the appropriate rate to discount the lease payments;
- Assessment of whether a right-of-use asset is impaired.

2.18 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

2.19 Income tax

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

- **Current tax**

  Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, at the reporting date in the country where the company operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

  Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The company reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

- **Deferred tax**

  Deferred tax is provided using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

  Deferred tax liabilities are recognised for all taxable temporary differences, except:

  - When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
  - Taxable temporary differences arising on the initial recognition of goodwill.

  Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

  - When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

  The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

  Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

  Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

  Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

  In the situations where the company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

2.20 Provisions and contingencies

A provision is recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in the statement of profit and loss.

Contingent liability is disclosed in case of

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- present obligation arising from past events, when no reliable estimate is possible
- a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent asset is not recognised in the financial statements. A contingent asset is disclosed, where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.21 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted EPS adjust the figures used in the determination of basic EPS to consider

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.22 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Notes to the financial statements **for the year ended 31st March 2023**

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

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.23 Financial instruments

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

Financial assets

Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss);
- those measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or OCI. For investments in debt instruments, this will depend on the business model in which investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for equity investment at fair value through OCI.

The company classifies debt investments when and only when its business model for managing those assets changes.

Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss.

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are satisfied:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- The contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of hedging relationship is recognised in the statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using effective interest rate (EIR) method.

Debt instruments at fair value through other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVTOCI. The movements in the carrying amount are recognised through OCI, except for the recognition of impairment gains and losses, interest revenue and foreign exchange gain or losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss and recognised in other gains / losses. Interest income from these financial assets is included in other income using EIR method.

Debt instruments at fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on debt instrument that is subsequently measured at FVTPL and is not a part of hedging relationship is recognised in the statement of profit and loss within other gains / losses in the period in which it arises. Interest income from these financial assets is included in other income.

Equity investments

All equity investments in the scope of 'Ind AS 109 - Financial instruments' are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to recognise subsequent changes in the fair value in OCI. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of equity instrument.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Derecognition

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Impairment of financial assets

The company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 36 details how the company determines whether there has been a significant increase in credit risk.

For trade receivables only, the company applies the simplified approach permitted by 'Ind AS 109 - Financial instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Non-derivative financial liabilities

Recognition

The company initially recognises borrowings, trade payables and related financial liabilities on the date on which they are originated.

All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the company becomes a party to the contractual provisions of the instrument.

Measurement

Non-derivative financial liabilities are initially recognised at fair value, net of transaction costs incurred. Subsequent to initial recognition, these liabilities are measured at amortised cost using EIR method.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with 'Ind AS 37 - Provisions, contingent liabilities and contingent assets' and the amount initially recognised less cumulative amortisation, where appropriate.

Notes to the financial statements for the year ended 31st March 2023

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.24 Cash dividend to equity holders

The company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.25 Government grant

Government grants are recognised at their fair value when there is a reasonable assurance that the grant will be received and company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with costs that they are intended to compensate and presented within other income.

Government grants relating to purchase of property, plant and equipment are initially recognised as deferred income at fair value and subsequently recognised in the statement of profit and loss on a systematic basis over the useful life of the asset.

2.26 Standards issued but not effective

Amendment to Indian Accounting Standard Rules, 2015

Ministry of Corporate Affairs (MCA), vide notification dated 31st March, 2023, has made the following amendments to Ind AS which are effective 1st April, 2023:

Particulars	Explanation
Ind AS 1, Presentation of Financial Statements	The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.
Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors	The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.
Ind AS 12, Income Taxes	The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the initial recognition exemption so that it does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

Notes to the financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

3 Property, plant and equipment, capital Work-in-progress, investment property and intangible assets as at 31st March 2023

	Property, plant and equipment														Intangible Assets			Investment property	
	Land		Land Freehold	Buildings		Plant and machinery		Computers and office equipment		Vehicles		Furniture and fixtures		Total	Technical knowhow	Software	Total	Land (Freehold)	Grand total
	Leasehold Refer note 1	Right-of-Use		Owned	Right-of-Use	Owned	Right-of-Use	Owned	Right-of-Use	Owned	Right-of-Use	Owned	Right-of-Use						
Gross block																			
As at 1 April 2022	11.000	243.955	363.850	1290.704	-	1662.107	-	302.964	96.756	45.202	-	228.263	-	4244.801	93.753	105.159	198.912	136.928	4580.641
Additions during the year	-	-	-	14.910	129.553	180.288	39.823	17.434	47.799	1.072	56.659	18.686	57.100	563.324	-	35.399	35.399	-	598.723
Deletions during the year	-	-	-	-	-	2.095	-	-	12.916	-	-	-	-	15.011	-	-	-	-	15.011
As at 31 March 2023	**11.000**	**243.955**	**363.850**	**1305.614**	**129.553**	**1840.300**	**39.823**	**320.398**	**131.639**	**46.274**	**56.659**	**246.949**	**57.100**	**4793.114**	**93.753**	**140.558**	**234.311**	**136.928**	**5164.353**
Accumulated depreciation and amortisation																			
As at 1 April 2022	1.126	182.483	-	406.061	-	1225.968	-	282.242	31.402	29.800	-	210.584	-	2369.666	92.846	96.059	188.905	-	2558.571
Charge for the year	0.123	21.487	-	43.497	28.499	93.011	0.111	10.036	44.591	4.844	8.712	7.115	0.156	262.182	0.540	6.462	7.002	-	269.184
Depreciation on deletions	-	-	-	-	-	-	-	-	12.916	-	-	-	-	12.916	-	-	-	-	12.916
As at 31 March 2023	**1.249**	**203.970**	**-**	**449.558**	**28.499**	**1318.979**	**0.111**	**292.277**	**63.078**	**34.644**	**8.712**	**217.699**	**0.156**	**2618.932**	**93.386**	**102.521**	**195.907**	**-**	**2814.839**
Net carrying value																			
As at 31 March 2023	9.751	39.985	363.850	856.056	101.054	521.321	39.712	28.121	68.561	11.630	47.947	29.250	56.944	2174.182	0.367	38.037	38.404	136.928	2349.514
As at 31 March 2022	9.874	61.472	363.850	884.643	-	436.139	-	20.722	65.354	15.402	-	17.679	-	1875.135	0.907	9.100	10.007	136.928	2022.070

Note:

1. The land has been taken on a long term lease i.e. for 99 years.

2. Refer Note 26 for contractual commitments for the acquisition of property plant and equipment.

Notes to the financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

3 Property, plant and equipment, capital Work-in-progress, investment property and intangible assets as at 31st March 2022

	Property, plant and equipment														Intangible Assets			Investment property	
	Land		Land Freehold	Buildings		Plant and machinery		Computers and office equipment		Vehicles		Furniture and fixtures		Total	Technical knowhow	Software	Total	Land (Freehold)	Grand total
	Leasehold Refer note 1	Right-of-Use		Owned	Right-of-Use	Owned	Right-of-Use	Owned	Right-of-Use	Owned	Right-of-Use	Owned	Right-of-Use						
Gross block																			
As at 1 April 2021	11.000	243.955	363.850	1285.792	-	1551.173	-	286.444	24.677	48.659	-	226.570	-	4042.120	93.753	97.916	191.669	136.928	4370.717
Additions during the year	-	-	-	4.912	-	110.934	-	16.520	72.079	-	-	1.693	-	206.138	-	7.243	7.243	-	213.381
Deletions during the year	-	-	-	-	-	-	-	-	-	3.457	-	-	-	3.457	-	-	-	-	3.457
As at 31 March 2022	**11.000**	**243.955**	**363.850**	**1290.704**	**-**	**1662.107**	**-**	**302.964**	**96.756**	**45.202**	**-**	**228.263**	**-**	**4244.801**	**93.753**	**105.159**	**198.912**	**136.928**	**4580.641**
Accumulated depreciation and amortisation																			
As at 1 April 2021	1.004	160.996	-	363.479	-	1139.988	-	272.928	9.295	27.902	-	201.932	-	2177.524	92.305	93.514	185.819	-	2363.343
Charge for the year	0.122	21.487	-	42.582	-	85.980	-	9.314	22.107	5.103	-	8.652	-	195.347	0.541	2.545	3.086	-	198.433
Depreciation on deletions	-	-	-	-	-	-	-	-	-	3.205	-	-	-	3.205	-	-	-	-	3.205
As at 31 March 2022	**1.126**	**182.483**	**-**	**406.061**	**-**	**1225.968**	**-**	**282.242**	**31.402**	**29.800**	**-**	**210.584**	**-**	**2369.666**	**92.846**	**96.059**	**188.905**	**-**	**2558.571**
Net carrying value																			
As at 31 March 2022	9.874	61.472	363.850	884.643	-	436.139	-	20.722	65.354	15.402	-	17.679	-	1875.135	0.907	9.100	10.007	136.928	2022.070
As at 31 March 2021	9.996	82.959	363.850	922.313	-	411.185	-	13.516	15.382	20.757	-	24.638	-	1864.596	1.448	4.402	5.850	136.928	2007.374

Note:

1. The land has been taken on a long term lease i.e. for 99 years.
2. Refer Note 26 for contractual commitments for the acquisition of property plant and equipment.

(All amounts are in Indian rupees million unless otherwise stated)

3 Property, plant and equipment, capital work-in-progress, investment property and intangible assets

Details of capital work-in-progress and intangible assets under development

Particulars	31 March 2023	31 March 2022
Balance at start of the year	**20.917**	6.144
Add: Additions during the year	**56.194**	18.340
Less: Capitalised/expense out during the year	**10.393**	3.566
Balance at the end of the year	**66.719**	20.917

Capital work-in-progress (CWIP) and Intangible assets under development comprises of:

a. Building INR 47.052 million (31 March 2022 10.577 million)

b. Machinery INR 16.327 million (31 March 2022 INR 3.684 million)

c. Network Equipment INR 2.577 million (31 March 2022 INR NIL)

d. Software under development INR 0.763 million (31 March 2022 INR 6.656)

Refer Note 37C for ageing

Investment property: Reconciliation of Fair Value

Particulars	**Land**
Fair value as at 31 March 2022	**427.322**
Fair value difference	**(19.296)**
Fair value as at 31 March 2023	**408.026**

The Company has obtained independent valuation for its investment property from a government approved valuer who is a specialist in valuing these types of investment properties.

The valuation has been made with reference to the prevailing market rates and using the approved valuation method.

All resulting fair value estimates for investment property are considered as level 3.

Notes to the financial statements for the the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

		31 March 2023	31 March 2022
4	**Investments**		
	Non-current investments		
	(i) Investments in subsidiaries (valued at cost)*		
	Unquoted equity investments		
	Praj Engineering & Infra Limited	**5.359**	5.359
	308,750 (31 March 2022 : 308,750) equity shares of INR 10 each fully paid		
	Praj Far East Co., Limited	**6.125**	6.125
	19,598 (31 March 2022 : 19,598) equity shares of Thai Baht 100 each fully paid and 78,400 (31 March 2022 : 78,400) equity shares of Thai Baht 100 each partly paid		
	Praj Americas Inc.	**9.281**	9.281
	40,000 (31 March 2022 : 40,000) equity shares of US Dollar 5 each fully paid		
	Praj HiPurity Systems Limited	**1536.743**	1536.743
	5,000,000 (31 March 2022: 5,000,000) equity shares of INR 10 each fully paid		
	Praj Far East Philippines Ltd Inc.	**11.167**	11.167
	8,313,281 equity shares of 1PHP each (31 March 2022 : 8,313,281)		
	Total	**1568.675**	1568.675
	Less: Provision for Impairmanet	**-**	-
		1568.675	1568.675
	*During the year, the Company has formed wholly owned domestic subsidiary by name "Praj GenX Limited" to cater to the area of energy transition and climate action.		
	(ii) Investments at amortised cost		
	Quoted investments in non-convertible debentures / bonds:		
	Nil Bonds issued by HDFC Bank Limited Unsecured Non-Convertible Perpetual Bonds Series 1/2017-18, Coupon 8.85% (31 March 2022 : 300)	**-**	300.006
	Nil Bonds issued by SBI Bank Unsecured Non-Convertible Perpetual Bonds Series IV, Coupon 8.15% (31 March 2022 : 100)	**-**	99.829
	Nil Bonds issued by SBI Bank Unsecured Non-Convertible Perpetual Bonds Series IV, Coupon 7.73% (31 March 2022 : 250)	**-**	252.344
	10 Bonds issued by HDFC Bank Limited Unsecured Non-Convertible Bonds Basel III Tier 2, Coupon 7.84% (31 March 2022 : Nil)	**100.084**	-
	10 Bonds issued by HDB Financial Services Limited Unsecured Non-Convertible Bonds Coupon 7.99% (31 March 2022 : Nil)	**250.000**	-
	Total	**350.084**	652.179

(All amounts are in Indian rupees million unless otherwise stated)

	31 March 2023	31 March 2022
(iii) Investments at fair value through other comprehensive income (FVOCI)		
Quoted investments in non-convertible debentures / bonds:		
250 Bonds issued by SBI Bank Unsecured Non-Convertible Perpetual Bonds Series IV, Coupon 7.73% (31 March 2022 : Nil)	**247.075**	-
50 Bonds issued by State Bank of India Unsecured Non-Convertible Perpetual Bonds Series II, Coupon 7.73% (31 March 2022 : Nil)	**49.472**	-
90 Bonds issued by State Bank of India Unsecured Non-Convertible Perpetual Bonds Series I, Coupon 7.74% (31 March 2022 : Nil)	**89.125**	-
30 Bonds issued by State Bank of India Unsecured Non-Convertible Perpetual Bonds Series I, Coupon 7.74% (31 March 2022 : Nil)	**29.709**	-
50 Bonds issued by State Bank of India Unsecured Non-Convertible Perpetual Bonds Series I, Coupon 7.74% (31 March 2022 : Nil)	**49.514**	-
3 Bonds issued by State Bank of India Unsecured Non-Convertible Perpetual Bonds Series I, Coupon 7.72% (31 March 2022 : Nil)	**29.556**	-
Total	**494.451**	-
Total non-current	**2413.210**	2220.854
Current investments		
(i) Investments at fair value through profit and loss (FVTPL)		
Quoted mutual funds		
ADITYA BIRLA SUN LIFE FMP SR-SI 1141 DAYS - NIL Units (31 March2022 : 3,000,000 Units)	**-**	37.890
ADITYA BIRLA SUN LIFE FMP SR-Sl 1120 DAYS - NIL Units (31 March2022 : 5,000,000 Units)	**-**	62.386
HDFC FMP 1133 DAYS DIRECT GR SR-44 - NIL Units (31 March2022 : 5,000,000 Units)	**-**	63.092
INVESCO INDIA ACTIVE INCOME FUND-DIR PL-GW -NIL Units (31 March2022 : 24862.734 Units)	**-**	67.999
KOTAK FMP SERIES 267 DIRECT GW - NIL Units (31 March2022 : 5,000,000 Units)	**-**	62.386
RELAINCE FIXED HORIZON-XXXVII-SR04 - NIL Units (31 March2022 : 5,000,000 Units)	**-**	67.754
FRANKLIN IND SAVING FUND-DIRECT - NIL Units (31 March 2022 : 1,344,892.234 Units)	**-**	55.806
SBI MAGNUM ULTRA SHORT DURATION FUND DIRECT GROWTH - 30,705.283 Units (31 March 2022 : 10,694.706 Units)	**158.391**	52.373
UTI MONEY MARKET FUND - DIRECT GROWTH PLAN - 14,794.600 Units (31 March 2022 : 14,794.600 Units)	**56.932**	53.944
IDFC FLOATING RATE FUND DIRECT PLAN-GROWTH - 9,999,599.025 Units (31 March 2022 : 9,999,599.025 Units)	**109.834**	104.709
ICICI PRUDENTIAL MONEY MARKET FUND - GROWTH-P8123- NIL Units (31 March 2022 : 2,186036.654 Units)	**-**	52.270
SBI SAVING FUND-REGULAR PLAN-GROWTH- NIL Units (31 March 2022 : 1,535,361.139 Units)	**-**	51.730
UTI FLOATER FUND-DIRECT GROWTH PLAN -GROWTH-INF789F1ACX5 - 81,739.196 Units (31 March 2022 : 81,739.196 Units)	**108.266**	102.863
ADITYA BIRLA SUN LIFE FLOATING RATE FUND-GROWTH-DIRECT PLAN-710,730.268 Units (31 March 2022: 364,114.172 Units)	**210.229**	103.244

Notes to the financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

	31 March 2023	31 March 2022
ICICI PRUDENTIAL ULTRA SHORT TERM FUND-DIRECT PLAN-GROWTH- NIL Units (31 March 2022 : 2,162,905.192 Units)	-	51.717
ADITYA BIRLA SUN LIFE SAVING FUND-GROWTH-DIRECT PLAN - NIL Units (31 March 2022 : 227,959.594 Units)	-	101.513
ICICI PRUDENTIAL SAVING FUND - GROWTH 1525 - 116,649.927 Units (31 March 2022 : 116,649.927 Units)	**53.366**	50.552
UTI MONEY MARKET FUND DIRECT GROWTH PLAN GROWTH -ISIN- NIL Units (31 March 2022 : 17,776.323 Units)	-	50.774
HSBC ULTRA SHORT DURATION FUND DIRECT GROWTH UCC- 4,393.345 Units (31 March 2022 : 92,119.923 Units)	**5.112**	101.544
AXIX ARBITRAGE FUND - DIRECT GROWTH (EA-DG)- NIL Units (31 March 2022 : 3,148,258.933 Units)	-	50.959
UTI ARBITRAGE FUND -DIRECT GROWTH PLAN- 1,707,133.447 Units (31 March 2022 : 1,707,133.447 Units)	**53.540**	50.738
TATA ARBITRAGE FUND -DIRECT PLAN - GROWTH- NIL Units (31 March 2022 : 4,234,564.252 Units)	-	50.753
SBI ARBITRAGE OPPORTUNITIES FUND -DIRECT PLAN -GROWTH- NIL Units (31 March 2022 : 1,778,713.432 Units)	-	50.746
NIPPON INDIA ARBITRAGE FUND -DIRECT GROWTH PLAN GROWTH OPTION - NIL Units (31 March 2022 : 2,225,384.905 Units)	-	50.801
DSP ARBITRAGE DIR GROWTH ISIN- NIL Units (31 March 2022 : 4,063,515.940 Units)	-	50.676
UTI ADVANTAGE FUND-REGULAR PLAN GROWTH- NIL Units (31 March 2022 : 17,688.649 Units)	-	50.523
AXIX TREASURY ADVANTAGE FUND - REGULAR GROWTH (TA-GP) - NIL Units (31 March 2022 : 20,238.340 Units)	-	50.538
TATA TREASURY ADVANTAGE FUND REGULAR PLAN-GROWTH- NIL Units (31 March 2022 : 15,804.241 Units)	-	50.490
DSP LONG DURATION FUND-REGULAR PLAN-GROWTH- Nil Units (31 March 2022 : 4,290,267.127 Units)	-	100.994
INVESCO INDIA MONEY MARKET FUND-DIRECT GROWTH PLAN-(CD-D1)- NIL Units (31 March 2022 : 19,877.305 Units)	-	50.508
KOTAK MONEY MARKET FUND-DIRECT PLAN-GROWTH- 41,591.271 Units (31 March 2022 : 41,591.271 Units)	**159.226**	150.590
TATA MONEY MARKET FUND GROWTH PLAN-GROWTH - 13,219.932 Units (31 March 2022 : 13,219.932 Units)	**53.515**	50.571
AXIX-CPSE PULS SDL 2025 70:30 DEBT INDEX FUND DIRECT GROWTH (CS-DG) - 4,999,750.012 Units (31 March 2022 : 4,999,750.012 Units)	**51.828**	50.413
ADITYA BIRLA SUN LIFE LIQUID FUND-GROWTH-REGULAR PLAN - NIL Units (31 March 2022 : 147,401.463 Units)	-	50.181
TATA LIQUID FUND REGULAR PLAN-GROWTH- NIL Units (31 March 2022 : 15,055.450 Units)	-	50.181
INVESCO INDIA LIQUID FUND-GROWTH(LG-SG) -NIL Units (31 March 2022 : 17,272.690 Units)	-	50.175
HSBC CASH FUND - GROWTH UCC- NIL Units (31 March 2021 : 23,815.145 Units)	-	50.177
SUNDARAM LIQUID FUND (Principle Cash Mgmt Fund) REGULAR GROWTH- NIL Units (31 March 2022 : 53,752.950 Units)	-	100.313
LIC MF LIQUID FUND-REGULAR PLAN GROWTH - NIL Units (31 March 2022 : 13,105.488 Units)	-	50.145

(All amounts are in Indian rupees million unless otherwise stated)

	31 March 2023	31 March 2022
MIRAE ASSET CASH MAMAGEMENT FUND-REGULAR PALN GROWTH - NIL Units (31 March 2022 : 22,627.672 Units)	**-**	50.150
NIPPON IDIAN LIQUID FUND GROWTH PLAN-GROWTH OPTION (LFIGG) - NIL Units (31 March 2022 : 9,710.565 Units)	**-**	50.150
UTI MONEY MARKET FUND-DIRECT PLAN-GROWTH- 78,573.903 Units (31 March 2022 : 40,187.823 Units)	**207.032**	100.099
TATA MONEY MARKET FUND GROWTH PLAN-GROWTH- 26,1717.747 Units (31 March 2022 : 26,1717.747 Units)	**105.945**	100.116
ICICI PRUDENTIAL MONEY MARKET FUND DIRECT GROWTH-DIRECT PLAN- 326,168.043 Units (31 March 2022 : 326,168.043 Units)	**105.779**	100.099
AXIX MONEY MARKET FUND DIRECT GROWTH (MM-DG)- 169,198.493 Units (31 March 2022 : 86,861.189 Units)	**206.018**	100.045
ADITYA BIRLA SUN LIFE MONEY MANAGER FUND - GROWTH-DIRECT PLAN - 434,390.567 Units(31 March 2021 : 167,321.317 Units)	**137.352**	50.014
ADITYA BIRLA SUN LIFE CRISIL AAA JUN 2023 INDEX FUND DIRECT GROWTH- 4,981,567.291 Units (31 March 2022 : 4,981,567.291 Units)	**52.463**	50.017
DSP SAVING FUND-DIRECT PLAN-GROWTH- NIL Units (31 March 2022 : 2,285,955.308 Units)	**-**	100.040
NIPPONMONEYMARKETFUND-DIRECTGROWTHGROWTHOPTION(LQAGG)- 44,762.801 Units (31 March 2022 : 29,853.169 Units)	**158.797**	100.025
HDFC LIQUID FUND-DIRECT PLAN GROWTH OPTION- NIL Units (31 March 2022 : 23,901.235 Units)	**-**	100.021
FRANKLIN INDIA SAVING FUND RETAIL OPTION-DIRECT PLAN-GROWTH- 2,290,400.686 Units (31 March 2022 : 1,204,904.208 Units)	**100.225**	49.998
FRANKLIN INDIA SAVING FUND SUPER INISTITUTIONAL PLAN-DIRECT PLAN-GROWTH- 31,266.548 Units (31 March 2022 : 31,266.548 Units)	**105.736**	100.020
KOTAK SAVINGS FUND-DIRECT PLAN-GROWTH- 4,169,052.421 Units (31 March 2021 : 4,169,052.421 Units)	**158.708**	150.212
HDFC ULTRA SHORT TERM FUND-DIRECT GROWTH- 19,853,664.549 Units (31 March 2022: 8,064,633.222 Units)	**260.200**	100.105
NIPPOM ULTRA SHORT DURATION FUND-DIRECT GROWTH PLAN(CPAGG)- 28,375.532 Units (31 March 2022 : 28,375.532 Units)	**106.188**	100.144
KOTAK SAVING FUND-GROWTH(REGULAR PLAN(ERSTWILY KOTAK TREASURYADV) 1,385,632.493 Units (31 March 2022 : NIL Units)	**50.858**	-
ICICI PRUDENTIAL MONEY MARKET FUND - GROWTH-P1571 - 155,690.493 Units (31 March 2022 : NIL Units)	**49.998**	-
MIRAE ASSETS ULTRA SHORT DURATION FUND DIR-GROWTH- 45576.477 Units (31 March 2022 : NIL Units)	**50.891**	-
HSBC ULTRA SHORT DURATION FUND DIRECT GROWTH UCC- 45,036.922 Units (31 March 2022 : NIL Units)	**52.407**	-
IDFC FLOATING RATE FUND DIRECT PLAN-GROWTH - 11,808,127.440 Units (31 March 2022 : NIL Units)	**154.474**	-
JM SHORT DURATION FUND(REGULAR) GROWTH OPRION (638) - 4,999,750.012 Units (31 March 2022 : NIL Units)	**51.461**	-
INVESCO INDIA ARBITRAGE FUND-DIRECT PLAN - 1,775,195.729 Units (31 March 2022 : NIL Units)	**51.402**	-
NIPPON INDIA ULTRA SHORT DURATION FUND-DIRECT GROWTH PLAN(CPAGG) 13,685.051 Units (31 March 2022 : NIL Units)	**51.213**	-
BARODA BNP PARIBAS ULTRA SHORT DURATION FUND-DIRECT PLAN GROWTH Growth- 38,682.639 Units (31 March 2022 : NIL Units)	**51.212**	-

Notes to the financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

	31 March 2023	31 March 2022
HSBC ULTRA SHORT DURATION FUND -DIRECT GROWTH- 44,996.263 Units (31 March 2022 : NIL Units)	**52.360**	-
DSP FMP SERIES 269 -160 DAYS-DIR-GROWTH - 4,999,750.012 Units (31 March 2022 : NIL Units)	**51.018**	-
HSBC ULTRA SHORT DURATION FUND-REGULAR GROWTH- 88,125.749 Units (31 March 2022 : NIL Units)	**101.708**	-
NIPPON INDIA FLOATING RATE FUND-GROWTH PLAN OPTION(FRGPG)- 2,667,301.523 Units (31 March 2022 : NIL Units)	**100.837**	-
SBI FLOATING RATE DEBT FUND DIRECT PLAN GROWTH 9,015,706.168 Units (31 March 2022 : NIL Units)	**100.941**	-
HDFC FLOATING RATE DEBT FUND REGULAR PLAN GROWTH 2,421,966.402 Units (31 March 2022 : NIL Units)	**101.122**	-
ADITYA BIRLA SUN LIFE INTERVAL INCOME FUND-QRTLY PLAN-SERIES1 GROWTH-DIR PLAN - 3,448,388.841 Units (31 March 2022 : NIL Units)	**100.753**	-
INVESCO INDIA MONEY MARKET FUND-DIRECT PLAN GROWTH(CO-D1) - 56,471.741 Units (31 March 2022 : NIL Units)	**150.734**	-
NIPPON INDIA QUARTERLY INTERVAL FUND-SERIES-III-DIRECT GROWTH FUND OPTION (9BAGG) -5,471,473.063 Units (31 March 2022 : NIL Units)	**100.538**	-
TATA MONEY MARKET REGULAR PLAN-GROWTH - 12,510,815 Units (31 March 2022 : NIL Units)	**49.998**	-
Total	**4198.607**	3906.273
(ii) Investments at amortised cost		
Quoted investments in non-convertible debentures / bonds:		
2,500,000 bonds issued by GOI Unsecured Non-Convertible Pepetual Bonds TBILL Zero Coupon Bonds (31 March 2022: Nil)	**235.733**	-
500,000 bonds issued by GOI Unsecured Non-Convertible Pepetual Bonds	**50.067**	-
GOI Loan 2023 Coupon 7.16% (31 March 2022: Nil)	**285.800**	-
Total current	**4484.407**	3906.273
Total Investments	**6897.617**	6127.127
Aggregate book value of quoted investments	**5328.942**	4558.452
Aggregate market value of quoted investments	**5546.785**	4558.842
Aggregate book value of unquoted investments	**1568.675**	1568.675

(All amounts are in Indian rupees million unless otherwise stated)

		31 March 2023	31 March 2022
5	**Other financial assets**		
	Non-current		
	(Unsecured, considered good)		
	Security deposits	86.226	77.733
		86.226	77.733
	Current		
	(Unsecured, considered good)		
	Foreign exchange forward contracts	-	30.988
	Interest accrued on fixed deposits and bonds	35.827	37.648
	Security deposits	17.131	1.758
	Other Receivables*	132.626	214.516
	Receivable from subsidiaries	2.545	2.358
		188.129	287.268
	*** mainly includes insurance claim, EMD and turnover discount receivable**		
	Total other financial assets	**274.355**	365.001

6	**Other assets**		
	Non-current		
	Capital advances	**37.413**	10.902
	Prepaid expenses	**1.994**	2.991
	Others	**10.087**	10.090
		49.494	23.983
	Current		
	Contracts in progress (Refer Note 27)	**3059.519**	2813.594
	Advances to suppliers	**540.717**	612.494
	Balances with Indirect tax authorities	**144.694**	350.206
	Prepaid expenses	**202.368**	68.198
	Other advances	**56.768**	26.770
		4004.066	3871.262
	Total Other assets	**4053.560**	3895.245

7	**Inventories (valued at lower of cost and net realisable value)**		
	Raw materials	**2236.268**	2653.934
	Work in progress	**715.517**	384.747
	Finished goods	**23.757**	9.328
		2975.542	3048.009
	Note: Write-down of inventories to net realizable value amounted to INR NIL (31 March 2022: INR 9.022). These were recognized as an expense during the year and included in 'Cost of materials consumed'.		

Notes to the financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

		31 March 2023	31 March 2022
8	**Trade Receivables**		
	Current		
	-From related parties		
	Unsecured, considered good	**4.703**	1.067
	-From others		
	Unsecured, considered good	**6792.610**	4168.331
	Unsecured, considered doubtful	**437.744**	372.364
		7235.057	4541.762
	Less: Impairment allowance (allowance for bad and doubtful debts)	**437.744**	372.364
		6797.313	4169.398
	i. Refer Note 37A for ageing schedule		
	ii. No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member. Trade receivables are non-interest bearing and generally on credit terms of 3 to 6 months		

9	**Cash and cash equivalents**		
	Balances with banks		
	On current accounts	**402.219**	408.541
	Deposits with original maturity of less than 3 months	**187.387**	372.656
	Cash on hand	**1.201**	0.895
		590.807	782.092

10	**Other bank balances**		
	Unclaimed dividend account	11.004	10.654
	Deposits with original maturity for more than 3 months but less than 12 months	**275.205**	267.037
	Note: Includes deposits under lien INR 255.741 (31 March 2022 INR 239.623)		
		286.209	277.691

(All amounts are in Indian rupees million unless otherwise stated)

		Grouping	31 March 2023	31 March 2022
11	**Equity Share Capital**			
	Authorised shares			
	450,000,000 (31 March 2022: 450,000,000) equity shares of INR 2 each		**900.000**	900.000
	Issued, subscribed and fully paid-up shares			
	183,713,088 (31 March 2022: 183,673,088) equity shares of INR 2 each	3.1	**367.426**	367.346
	Total		**367.426**	367.346

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

	31 March 2023 No.	31 March 2023 Amount	31 March 2022 No.	31 March 2022 Amount
At the beginning of the period	**183,673,088**	**367.346**	183,228,904	366.458
Add: Allotted during the period pursuant to exercise of employees stock options (Refer note 32)	**40,000**	**0.080**	4,44,184	0.888
Outstanding at the end of the period	**183,713,088**	**367.426**	183,673,088	367.346

b. Terms/ Rights attached to equity shares:

The Company has only one class of equity shares having a par value of INR 2 per share. Each holder of the equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Board of Directors proposed a final dividend of INR 4.50 per equity share for the financial year ended 31 March 2023. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held and if approved, will be recognised as distributions to equity shareholders during the year ended 31 March 2024. This event is considered as non-adjusting event.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company after distributing all preferential amounts.

c. Shares held by holding/ultimate holding company and/or their subsidiaries/associates:

The company does not have any holding or ultimate holding company.

d. Details of shareholders holding more than 5% shares in the company:

	31 March 2023		31 March 2022	
Equity shares of INR 2 each fully paid	**No.**	**% of holding**	No.	% of holding
Dr. Pramod Chaudhari (Promoter)	**38,700,000**	**21.07%**	38,700,000	21.07%
Parimal Chaudhari (Promoter)	**14,400,000**	**7.84%**	14,400,000	7.84%

Notes to the financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

e. Details of share holding of Promoters:

	31 March 2023		31 March 2022	
Equity shares of INR 2 each fully paid	**No.**	**% of holding**	No.	% of holding
Dr. Pramod Chaudhari	**38,700,000**	**21.07%**	38,700,000	21.07%
Parimal Chaudhari	**14,400,000**	**7.84%**	14,400,000	7.84%
Moriyaset Trust	**7,200,000**	**3.92%**	7,200,000	3.92%

f. Shares reserved for issue under options:

Shares reserved for issue under the Employee Stock Option Plan (ESOP) please refer note 32.

g. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	31 March 2023	31 March 2022
Number of bonus shares issued, shares issued for consideration other than cash and shares bought back	-	-

(All amounts are in Indian rupees million unless otherwise stated)

		31 March 2023	31 March 2022
12	Other Equity		
	Capital Reserve	**0.033**	0.033
	Amalgamation Reserve	**3.063**	3.063
	Capital Redemption Reserve*	**14.627**	14.627
	Securities Premium		
	Balance as at the beginning of the year	**1025.997**	982.276
	Add : Employee stock options exercised	**3.518**	25.321
	Add : Transfer from Share option outstanding account on exercise of options	**10.632**	18.400
	Balance at the end of the year	**1040.147**	1025.997
	Share option outstanding account**		
	Balance as at the beginning of the year	**29.355**	18.624
	Add : Employee stock option expense	**7.848**	29.355
	Less: Employee stock options expired and transferred to surplus in statement of profit and loss	**-**	0.224
	Less : Transfer to Securities Premium on exercise of options	**10.632**	18.400
	Balance at the end of the year	**26.571**	29.355
	Special Economic Zone Re-investment Reserve***		
	Balance as at the beginning of the year	**322.500**	383.900
	Add : Transfer from Surplus in the Statement of Profit and Loss	**-**	-
	Less : Transfer to Surplus in the Statement of Profit and Loss on completion of required period	**159.500**	61.400
	Balance at the end of the year	**163.000**	322.500
	General Reserve		
	Balance as at the beginning of the year	**956.511**	956.511
	Add : Amounts transferred from surplus balance in statement of profit and loss	**-**	-
	Balance at the end of the year	**956.511**	956.511
	Debt instruments through Other Comprehensive Income		
	Balance as at the beginning of the year	**-**	-
	Add: Fair value movement	**(3.937)**	-
	Balance at the end of the year	**(3.937)**	-

*Capital Redemption Reserve - The reserve is created on account of buy-back of equity shares by the Company in earlier years

** Share option outstanding account - The reserve is created on account of Employee stock options

***Special Economic Zone Re-investment Reserve - The reserve is created as per the provisions of Income Tax Act, 1961

Notes to the financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

	31 March 2023	31 March 2022
Retained Earnings		
Balance as at the beginning of the year	**6345.044**	5044.446
Profit as per statement of profit and loss	**2376.082**	1643.904
Other comprehensive income	**(15.954)**	(8.360)
Add: Employee stock options expired and transferred from share option outstanding account	**-**	0.224
Add : Transfer from Special Economic Zone Re-investment Reserve on completion of required period	**159.500**	61.400
Less: Appropriations		
Final equity dividend	**770.260**	396.570
Balance as at the end of the year	**8094.412**	6345.044
Total Other Equity	**10294.427**	8697.130

13 Provisions

Non-current		
Provision for employee benefits		
Compensated absences	**107.184**	95.488
Gratuity (Refer Note 31)	**9.034**	59.128
	116.218	154.616
Current		
Provision for employee benefits		
Compensated absences	**66.850**	60.890
Gratuity (Refer Note 31)	**45.000**	30.000
Provision for anticipated losses	**285.977**	111.708
	397.827	202.598
Total provisions	**514.045**	357.214

(All amounts are in Indian rupees million unless otherwise stated)

		31 March 2023	31 March 2022
14	**Trade payables**		
	Current		
	-To related parties	**17.081**	23.276
	-To others		
	Total outstanding dues of micro enterprises and small enterprises (Refer note iii)	**1038.312**	251.595
	Total outstanding dues of creditors other than micro enterprises and small enterprises (MSMED)	**3391.459**	3416.473
		4446.852	3691.344

Notes:

i. Refer Note 37B for ageing schedule

ii. Trade payables are non-interest bearing and are normally settled on 30-90 days terms

iii. The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at March 31, 2023. The disclosure pursuant to the said Act is as under:

Total outstanding amount in respect of micro, small and medium enterprises	**1038.312**	251.595
Principal amount due and remaining unpaid	**-**	-
Interest due on above and unpaid interest	**-**	-
Interest paid	**-**	-
Payment made beyond appointment day	**1.651**	0.514
Interest due and payable for the period of delay	**0.006**	0.002
Interest accrued and remaining unpaid (excluding interest accrued for earlier years)	**0.006**	0.002
Amount of further interest remaining due and payable in succeeding years	**0.008**	0.002

The identification of suppliers as micro, small and medium enterprise as defined under the Micro, Small and Medium Enterprises Development Act 2006, was done on the basis of information to the extent provided by the suppliers of company.

15	**Other financial liabilities**		
	Current		
	Unclaimed dividends	**9.834**	10.648
	Employee benefits payable	**321.880**	253.006
	Foreign exchange forward contracts	**17.429**	-
	Other payables	**9.269**	17.200
		358.412	280.854

Notes to the financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

			31 March 2023	31 March 2022
16	**Other liabilities**			
	Current			
	Advances received from customers		**6259.705**	6249.440
	Dues to customers relating to contracts in progress (Refer Note 27)		**1402.281**	790.296
	Statutory dues payable		**53.822**	47.947
			7715.808	7087.683
17	**Revenue from operations**			
	Revenue from Products and Projects		**29392.689**	18559.288
	Add: Closing Contracts in progress		**1657.238**	2023.298
	Less: Opening Contracts in progress		**2023.298**	726.742
		(a)	**29026.629**	19855.844
	Sale of services	(b)	**1851.479**	299.290
	Other Operating Revenue			
	Scrap Sales		**562.691**	377.226
	Sale of Licenses		**84.931**	91.003
		(c)	**647.622**	468.229
	Total Revenue from operations (a+b+c)		**31525.730**	20623.363
18	**Other income**			
	Dividend from Subsidiary		**200.000**	300.000
	Gain on redemption of investments (net) (FVTPL)		**53.819**	57.514
	Fair Valuation Gain/(Loss) on Investment In Mutual Fund (FVTPL)		**141.867**	54.694
	Interest			
	- on fixed deposits		**13.896**	13.182
	- bonds		**47.418**	52.955
	Interest on account of unwinding of security deposits and guarantee income		**6.350**	5.177
	Profit / (loss) on sale of property,plant and equipment (net)		**-**	0.473
	Excess provision / creditors written back (including advances)		**41.210**	2.963
	Other non-operating income		**1.797**	29.689
			506.357	516.647

(All amounts are in Indian rupees million unless otherwise stated)

		31 March 2023	31 March 2022
19	**Cost of materials consumed**		
	Raw material consumed	**20920.783**	13668.799
		20920.783	13668.799
20	**(Increase) / Decrease in inventories of Finished Goods and Work in Progress**		
	Inventories at the end of the year		
	Work in progress	**715.517**	384.747
	Finished goods	**23.757**	9.328
		739.274	394.075
	Inventories at the beginning of the year		
	Work in progress	**384.747**	77.380
	Finished goods	**9.328**	15.346
		394.075	92.726
	(Increase) / Decrease in inventories	**(345.199)**	(301.349)
21	**Employee Benefit Expenses**		
	Salaries, wages and bonus	**2018.560**	1669.079
	Contributions to provident and other funds (Refer note 31a)	**78.590**	66.922
	Gratuity expense (Refer note 31 b)	**21.809**	19.474
	Employee stock option expense	**7.848**	29.355
	Staff welfare	**121.851**	74.056
		2248.658	1858.886
22	**Finance costs**		
	Interest expense - others	**10.639**	0.020
	Net interest on defined benefit plan	**3.383**	4.622
	Interest on Lease Liability	**28.089**	16.802
		42.111	21.444

Notes to the financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

		31 March 2023	31 March 2022
23	**Other Expenses**		
	Consumption of Stores and spares	**345.095**	206.872
	Site expenses and labour charges*	**2610.767**	1515.668
	Freight and transport	**908.861**	493.376
	Bad debts written off (INR 109.008 ; 31 March 2022 INR INR 577.297) / Provision for doubtful debts and advances	**173.550**	33.791
	Sales commission	**212.313**	128.336
	Travel and conveyance	**240.404**	134.428
	Professional consultancy charges	**375.324**	294.078
	Insurance	**74.202**	52.059
	Rent (Refer note 30)	**43.749**	38.007
	Power and fuel	**111.197**	68.418
	Advertising and exhibition expenses	**37.952**	29.199
	Communication expenses	**22.978**	17.821
	Testing charges	**79.434**	52.456
	Repairs and maintenance:		
	Building	**12.163**	14.279
	Plant and Machinery	**37.747**	26.724
	Others	**28.045**	24.579
	Auditors' remuneration		
	for audit services	**3.600**	3.600
	for tax audit	**0.650**	0.650
	for certification charges	**0.027**	0.093
	out of pocket expenses	**0.046**	0.041
	Directors' commission	**10.800**	9.000
	Rates and taxes	**3.770**	3.925
	Provision for diminution in value of investment / (reversed)	**-**	(1.627)
	Reimbursement of Marketing Support Expenses	**104.349**	113.355
	Miscellaneous expenses**	**474.467**	403.436
		5911.490	3662.564

*Includes travelling expenses, Job work charges and other site related expenses

**Mainly includes R&D expenses, security expenses, housekeeping expenses & CSR

(All amounts are in Indian rupees million unless otherwise stated)

			31 March 2023	31 March 2022
24	**Income tax**			
	A	**Statement of profit and loss:**		
		Current income tax:		
		Current income tax charge	**778.559**	361.000
		Tax relating to earlier periods	**-**	25.930
		Deferred tax:		
		Relating to origination and reversal of temporary differences	**(62.968)**	108.119
		Income tax expense reported in the statement of profit and loss	**715.591**	495.049
	B	**Statement of other comprehensive income:**		
		Deferred tax:		
		Remeasurements gains and losses on post employment benefits	**(5.366)**	(2.812)
		Debt instruments through other comprehensive income	**(1.324)**	-
		Income tax expense reported in the statement of other comprehensive income	**(6.690)**	(2.812)
	C	**Reconciliation of effective tax rate**		
		Accounting profit before tax	**3091.673**	2138.953
		Tax using the Company's domestic tax rate 25.168% (31 March 2022: 25.168%)	**778.112**	538.332
		Adjustments in respect of current income tax of previous years	**-**	25.930
		Less: Tax effect of:		
		i Income chargeable at lower rate / capital gain	**12.558**	(5.306)
		ii IND-AS adjustment	**-**	(4.223)
		iii Deduction claimed for which Deferred Tax Asset was not created	**-**	(1.919)
		iv Dividend from Subsidiary eligible for deduction u/s 80M	**(50.336)**	(75.504)
		v Loss on closure of Subsidiary claimed as Business Loss	**-**	(24.144)
		vi Reversal of Deferred Tax Liability on conditional exemption (net)	**(54.428)**	-
		Add: Tax effect of		
		i Deferred Tax Liability on conditional exemption (net)	**-**	8.748
		ii Donations ineligible under Income tax	**8.012**	5.465
		iii Impact on Deferred Tax due to change in Tax Rate	**-**	20.972
		iv Others including rounding off	**21.673**	6.698
		Total	**715.591**	495.049
		Income tax expense reported in the statement of profit and loss	**715.591**	495.049

Notes to the financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

D Deferred tax

Deferred tax relates to the following: Deferred tax asset / (liability)	Balance sheet		Statement of profit and loss/ other comprehensive income & other equity	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Deferred tax asset				
Provision for doubtful debts and advances	**112.114**	95.102	(17.012)	228.598
Provision for Anticipated Losses	**71.974**	28.115	(43.859)	(28.115)
Gratuity	**13.599**	22.432	8.833	10.019
Compensated absences	**43.801**	39.357	(4.444)	5.640
Other disallowances under Income Tax	**13.601**	15.669	2.068	(5.786)
Lease Liability	**98.552**	43.398	(55.154)	7.993
Deposits	**2.355**	-	(2.355)	-
Total	**355.996**	244.073	(111.923)	218.349
Deferred tax liability				
Property, plant & equipment and intangible assets	**(273.508)**	(219.017)	54.491	(84.124)
Conditional exemptions calimed under Income tax / others	**(43.174)**	(55.399)	(12.225)	(28.918)
Total	**(316.682)**	(274.416)	42.266	(113.042)
Net deferred tax asset / (liability)	**39.314**	(30.343)		
Deferred tax expense/(income)			(69.658)	105.307
- Recognised in the statement of profit and loss			(62.968)	108.119
- Recognised in the statement of other comprehensive income			(6.690)	(2.812)

25 Earnings per share

Particulars	31 March 2023	31 March 2022
Reconciliation of basic and diluted shares used in computing earnings per share		
Weighted average number of basic equity shares	**183,692,524**	183,596,780
Add: effect of dilutive potential equity shares:		
- Employee stock options	**76,207**	80,365
Weighted average number of diluted equity shares	**183,768,731**	183,677,145
Computation of basic and diluted earnings per share		
Net profit after tax attributable to equity shareholders	**2,376.082**	1,643.904
Basic earnings per equity share of INR 2 each	**12.94**	8.95
Diluted earnings per equity share of INR 2 each	**12.93**	8.95

(All amounts are in Indian rupees million unless otherwise stated)

26 Capital commitments and contingent liabilities

Particulars	31 March 2023	31 March 2022
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**83.420**	115.454
Other commitments		
Partly paid shares-Praj Far East Co. Ltd	**14.218**	13.408
Contingent liabilities		
Claims against Company not acknowledged as debts (primarily relating to performance related claims filed by customers) (net of possibility of reimbursement from insurance company of Rs 1196.500)	**21.845**	21.845
Disputed demands in appeal towards:	**249.688**	366.235
- Income tax	**216.643**	165.566
- Sales tax	**33.045**	200.668

27 Disclosures pursuant to Ind AS 115-Revenue from Contracts with Customers

Particulars	31 March 2023	31 March 2022
Contract revenue recognised during the year (excluding taxes)	**30067.901**	19509.521
Aggregate amount of contract costs incurred and recognised profits (less recognised losses)	**43088.026**	33872.106
Customer advances outstanding for contracts in progress	**5181.066**	5404.843
Retention money due from customers for contracts in progress	**1222.315**	1050.231
Gross amount due from customers for contract work (presented as contracts in progress)	**3059.519**	2813.594
Gross amount due to customers for contract work (presented as dues to customers relating to contracts in progress)	**(1402.281)**	(790.296)

I) Revenue by category of contracts:

Particulars	31 March 2023	31 March 2022
Over a period of time basis	**30067.901**	19509.521
At a point-in-time basis	**1457.829**	1113.842
Total revenue from contracts with customers	**31525.730**	20623.363

II) Revenue by geographical market:

Particulars	31 March 2023	31 March 2022
Within India	**25904.614**	16119.212
Outside India	**5621.116**	4504.151
Total revenue from contracts with customers	**31525.730**	20623.363

Notes to the financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

III) Transaction price allocated to the remaining performance obligations

Particulars	31 March 2023	31 March 2022
Remaining performance obligations	**23896.113**	22161.114

Note: The above information is given in respect of contracts under execution as on period end date

IV) Contract balances

Particulars	31 March 2023	31 March 2022
Trade receivables	**6797.313**	4169.398
Unbilled Revenue (Contract Asset)	**3059.519**	2813.594
Unearned Revenue (Contract Liability)	**1402.281**	790.296
Customer Advances (Contract Liability)	**6259.705**	6249.440

Contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date. The Contract assets are transferred to Trade receivables on completion of milestones and its related invoicing.

The Contract liabilities relate to unearned revenue and customer advances where performance obligations are yet to be fulfilled as per the contracts. The fulfilment of the performance obligations will extingusih these liabilities and revenue will be recognised.

28 Segment reporting

The business activities of the Company from which it earns revenues and incurs expenses; whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available involve predominantly one operating segment i.e. process and project engineering.

(All amounts are in Indian rupees million unless otherwise stated)

29 Related party transactions

a) Parties where control exists

Subsidiaries

Praj Engineering & Infra Limited

Praj Far East Co. Limited

Praj Americas Inc.

Praj Industries (Africa) Pty Limited (upto 20 January 2022)

Praj HiPurity Systems Limited

Praj Far East (Philippines) Inc.

b) Key management personnel and their close members of family

Executive chairman	Dr. Pramod Chaudhari
CEO & Managing Director	Shishir Joshipura
Chief Financial Officer & Director-Resources	Sachin Raole
Chief Internal Auditor & Company Secretary	Dattatraya Nimbolkar
Non-executive directors	Berjis Desai
	Parimal Chaudhari
	Sivaramakrishnan S. Iyer
	Mrunalini Joshi
	Dr. Shridhar Shukla
	Suhas Baxi
Close members of family of key management personnel	Parimal Chaudhari (Director)
	Parth Chaudhari

c) Other related parties with whom transactions have been taken place during the year

Praj Foundation

Plutus Properties LLP

d) Transactions and balances with related parties have been set out below:

Particulars	31 March 2023	31 March 2022
Praj Engineering & Infra Limited		
Sales of goods and services(without taxes)	**-**	4.046
Expenses incurred and reimbursed by the Company	**2.429**	-
Expenses incurred and reimbursed by subsidiary	**0.714**	20.175
Rent received	**0.060**	0.060
Payable	**0.022**	-
Praj Far East Co. Ltd		
Expenses incurred and reimbursed by the Company	**47.143**	56.461
Payable	**7.348**	7.893
Receivable	**2.555**	2.358
Corporate Gaurantee given	**124.050**	114.360
Praj Americas Inc.		
Expenses incurred and reimbursed by the Company	**61.562**	57.162
Payable	**6.737**	8.509

Notes to the financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

Particulars	31 March 2023	31 March 2022
Praj HiPurity Systems Limited		
Sales of goods and services (without taxes)	**7.692**	0.642
Purchase of goods & services (without taxes)	**4.031**	-
Dividend income	**200.000**	300.000
Expenses incurred and reimbursed by subsidiary	**4.975**	4.230
Payable	**2.974**	-
Receivable	**1.822**	1.067
Corporate Gaurantee given	**700.000**	700.000
Praj Industries Philippines Limited		
Sales of services	**0.307**	-
Receipt of Services	**-**	6.780
Payable	**-**	6.874
Receivable	**0.306**	-
Dividend receivable	**9.337**	8.678
Praj Foundation		
Donation paid	**20.893**	18.635
Plutus Properties LLP		
Rent paid	**3.968**	3.778
Dr. Pramod Chaudhari		
Short term employee benefits	**92.919**	76.209
Post employment benefits	**12.744**	12.275
Other long term employee benefits	**1.500**	2.250
Dividend	**162.540**	83.592
Payable	**34.542**	16.205
Shishir Joshipura		
Short term employee benefits	**52.076**	42.310
Post employment benefits	**6.980**	4.185
Other long term employee benefit	**1.302**	0.932
Share based payment	**-**	15.726
Dividend	**0.420**	0.216
Payable	**21.181**	11.122
Sachin Raole		
Short term employee benefits	**23.562**	18.936
Post employment benefits	**2.646**	1.263
Other long term employee benefit	**0.919**	0.521
Share based payment	**-**	5.242
Dividend	**0.609**	0.313
Payable	**11.563**	7.485
Dattatraya Nimbolkar		
Short term employee benefits	**9.781**	9.031
Post employment benefits	**0.508**	0.469
Other long term employee benefit	**0.192**	0.198
Dividend	**0.004**	0.002
Payable	**2.808**	2.584

(All amounts are in Indian rupees million unless otherwise stated)

Particulars	31 March 2023	31 March 2022
Parimal Chaudhari		
Commission on profit	**2.400**	2.000
Dividend	**90.720**	46.656
Payable	**2.400**	2.000

Note:
Transactions with related parties are at arms length price and the balances receivable / payable are un-secured. The terms of payment are generally similar to those of other non-related parties.

30 Leases

The company classifies the lease transactions as per the requirements of IND-AS 116 "Leases"

Nature of Leasing activity:

The Company has entered into lease arrangements for office and factory premises, residential premises for its employees, office equipments, plant & machinery, vehicles, furniture & fixtures and computers.

The disclosures relating to leases are as summarised below:

Particulars	31 March 2023	31 March 2022
Depreciation for right-of-use asset	**103.680**	43.594
Interest expense on lease liabilities	**28.089**	16.802
Expenses relating to short-term / low value leases	**43.749**	38.007
Total Cash outhflow for leases	**183.629**	101.521
Carrying amount of right-of-use asset	**354.203**	126.826
Maturity analysis of lease liabilities:		
- less than 1 year	**147.024**	46.293
- between 1 to 3 years	**219.592**	126.140
- more than 3 years	**24.962**	-

Changes in lease liabilities arising from financing activities

Particulars	31 March 2023	31 March 2022
Opening lease liability	**172.433**	147.067
Net addition / (deletion) during the year	**330.935**	72.079
Finance cost	**28.089**	16.802
Lease payments	**(139.879)**	(63.515)
Closing lease liability	**391.578**	172.433
Non-Current	**244.554**	126.140
Current	**147.024**	46.293

Notes to the financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

31 Employee benefits

a) Defined contribution plans

The Company has recognised INR 78.590 (31 March 2022: INR 66.922) towards post-employment defined contribution plans comprising of provident fund, Employee State Insurance Scheme, National Pension Scheme, and superannuation fund in the statement of profit and loss.

b) Defined benefit plan

In accordance with the Payment of Gratuity Act, 1972, the Company is required to provide post-employment benefit to its employees in the form of gratuity. The Company has maintained a fund with the Life Insurance Corporation of India to meet its gratuity obligations. In accordance with the Standard, the disclosures relating to the Company's gratuity plan are provided below:

The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	31 March 2023	31 March 2022
Present value of obligation as at the beginning of the period	**301.003**	261.479
Interest cost	**20.104**	16.189
Current service cost	**21.809**	19.474
Benefits paid	**(27.606)**	(9.006)
Remeasurements on obligation - (gain) / loss	**21.775**	12.866
Present value of obligation as at the end of the period	**337.085**	301.003

The changes in the fair value of planned assets representing reconciliation of opening and closing balances thereof are as follows:

Particulars	31 March 2023	31 March 2022
Fair value of plan assets at the beginning of the period	**211.875**	168.613
Interest income	**16.721**	11.568
Contributions	**54.000**	30.000
Return on plan assets, excluding amount recognized in interest income - gain / (loss)	**0.455**	1.694
Fair value of plan assets as at the end of the period	**283.051**	211.875

Amounts recognised in the balance sheet are as follows:

Particulars	31 March 2023	31 March 2022
Present value of obligation as at the end of the period	**337.085**	301.003
Fair value of plan assets as at the end of the period	**283.051**	211.875
Surplus / (deficit)	**(54.034)**	(89.128)

Amounts recognised in the statement of profit and loss are as follows:

Particulars	31 March 2023	31 March 2022
Current service cost	**21.809**	19.474
Net interest (income) / expense	**3.383**	4.622
Net periodic benefit cost recognised in the statement of profit and loss at the end of the period	**25.192**	24.096

(All amounts are in Indian rupees million unless otherwise stated)

Amounts recognised in the statement of other comprehensive income (OCI) are as follows:

Particulars	31 March 2023	31 March 2022
Interest (income) / expense - obligation	**21.775**	12.866
Interest (income) / expense - plan assets	**(0.455)**	(1.694)
Net interest (income) / expense for the year	**21.320**	11.172

Net interest (income) / expense recognised in statement of profit and loss are as follows:

Particulars	31 March 2023	31 March 2022
Interest (income) / expense - obligation	**20.104**	16.189
Interest (income) / expense - plan assets	**(16.721)**	(11.568)
Net interest (income) / expense for the year	**3.383**	4.622

The broad categories of plan assets as a percentage of total plan assets are as follows:

Particulars	31 March 2023	31 March 2022
Funds managed by insurer	**100%**	100%
Total	**100%**	100%

Principal actuarial assumptions used in determining gratuity benefit obligations for the Company's plans are as follows:

Particulars	31 March 2023	31 March 2022
Discount rate	**7.40%**	7.00%
Rate of increase in compensation levels	**9.00%**	8.00%
Expected rate of return on plan assets	**7.00%**	6.30%
Expected average remaining working lives of employees (in years)	**9.67**	9.58
Withdrawal rate		
Age upto 30 years	**7.00%**	7.00%
Age 31 - 40 years	**7.00%**	7.00%
Age 41 - 50 years	**7.00%**	7.00%
Age above 50 years	**7.00%**	7.00%

A quantitative sensitivity analysis for significant assumptions is shown as follows:

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the present value of obligation. Sensitivity analysis is done by varying (increasing/ decreasing) one parameter by 100 basis points (1%)

a) Impact of change in discount rate when base assumption is decreased / increased by 100 basis point

Discount rate	**Present value of obligation**	
	31 March 2023	31 March 2022
Decrease by 1% to 6.40%	**351.859**	314.127
Increase by 1% to 8.40%	**324.007**	289.399

b) Impact of change in salary increase rate when base assumption is decreased / increased by 100 basis point

Salary increment rate	**Present value of obligation**	
	31 March 2023	31 March 2022
Decrease by 1% to 8.00%	**325.752**	290.867
Increase by 1% to 10.00%	**349.593**	312.205

Notes to the financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

c) Impact of change in withdrawal rate when base assumption is decreased / increased by 100 basis point

Withdrawal rate	Present value of obligation	
	31 March 2023	31 March 2022
Decrease by 1% to 6.00%	**338.370**	301.742
Increase by 1% to 8.00%	**335.921**	300.334

Risk Exposure and Asset Liability Matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

1) Liability Risks

a. Asset-Liability Mismatch Risk-

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

b. Discount Rate Risk-

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

c. Future Salary Escalation and Inflation Risk-

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) Asset Risks

All plan assets are maintained in a trust fund managed by a public sector insurer viz; LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years.

The company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

32 Employee Stock Option Plan (ESOP)

In the Annual General Meeting of the Company held on 22 July 2011, total of 9,238,936 stock options were approved under the scheme "Employee Stock Option Plan 2011". In the Meeting of the Compensation and Share Allotment Committee held on 27 January 2015 it was decided to grant options to CEO & MD and senior executives of the Company at the relevant market price as ESOP 2011 – Grant I. The total options granted under ESOP 2011 - Grant I are 3,750,000 options out of which 250,000 options (Plan A) were granted to CEO & MD and 3,500,000 options (Plan B) were granted to senior executives of the Company.

During the year 2015-16 390,000 options were granted to senior executives of the Company as ESOP 2011 – Grant II to V. During the year 2016-17 100,000 options were granted to senior executive of the Company as ESOP 2011 – Grant VI. During the year 2017-18 1,969,700 options were granted to certain employees of the Company as ESOP 2011 – Grant VII. During the year 2018-19 1,625,000 options were granted to certain employees of the Company as ESOP 2011- Grant VIII to X. During the year 2021-22 140,000 options were granted to CEO& MD and certain senior executives of the Company as ESOP 2011- Grant XI.

The stock options vest in a graded manner equally over the period of vesting, each vesting taking effect as per the terms of the grant.

(All amounts are in Indian rupees million unless otherwise stated)

Amount of employee compensation expense recognised for employee services received during the year:

Particulars	31 March 2023	31 March 2022
Expense arising from equity-settled share-based payment transactions	**7.848**	29.355

Movements during the year
ESOP 2011 Grant I to XI

Particulars	31 March 2023		31 March 2022	
	Options	**Weighted average exercise price INR**	Options	Weighted average exercise price INR
Number of options outstanding at the beginning of the year	**1,40,000**		4,53,464	58.82
Number of options granted during the year	**-**		1,40,000	90.00
Number of options exercised during the year	**(40,000)**		(4,44,184)	59.01
Number of options forfeited/lapsed during the year	**-**		(9,280)	50.00
Number of options outstanding at the end of the year	**1,00,000**		1,40,000	90.00
Number of options exercisable at the end of the year	**-**	**N.A.**	-	N.A.
Range of exercise price of options outstanding at the end of the year	**INR 90.00**		INR 90.00	
Average share price during the year	**INR 376.91**		INR 336.86	
Weighted average remaining contractual life of options outstanding at the end of the year	**0.75 years**		0.75 years	
Weighted average fair value of option as on date of grant (granted during the year)	17-Jun-21	265.74	17-Jun-21	265.74

Method used for calculating fair value of option – Black Scholes Option Valuation Model

Significant assumptions used in arriving at the fair value of options under Black Scholes model are stated as follows:

Particulars	FY 2022-23
Grant date	**17 Jun 2021**
Risk-free interest rate	**4.20%**
Expected life	**1.0 year**
Expected volatility*	**61.25%**
Expected dividend yield	**2.11%**
Price of the underlying share in market at the time of grant of option (INR)	**359.15**

* Expected volatility has been determined based on closing price of the share of the Company over a period equivalent to expected life.

Notes to the financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

33 Expenditure on research & development activities

Revenue expenditure on research and development is charged under respective heads of account in the year in which it is incurred. Capital expenditure on research and development is included as part of property, plant and equipment and depreciated on the same basis as other property, plant and equipment.

Particulars	31 March 2023	31 March 2022
Capital expenditure (excluding advances)	**43.142**	38.861
Revenue expenditure	**356.115**	231.984

34 Corporate Social Responsibility (CSR) expenditure

The Company was required to spend INR 23.114 as expenditure on CSR as per requirements of the Companies Act, 2013. During the year, the Company has incurred CSR expenses of INR 31.333 included in Miscellances Expenses (Refer Note 23) as follows:

Amount spent on	Amounts paid
Construction/acquisition of asset	Nil
On other purposes covered under Schedule VII to Companies Act, 2013	31.333*

* Includes INR 20.893 given to Praj Foundation which is a related party.

The above expenditure includes contribution/donation of INR 10.440 to trusts / institute which are engaged in activities eligible under section 135 of Companies Act, 2013 read with Schedule VII thereto.

Particulars	31 March 2023	31 March 2022
a) Amount required to be spent by the company during the year	**23.114**	18.635
b) Amount of expenditure incurred	**31.333**	21.715
c) Shortfall at the end of the year	**-**	-
d) Total of previous years shortfall	**-**	-

(All amounts are in Indian rupees million unless otherwise stated)

35 Fair value measurements

This note explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised & measured at i. fair value ii. measured at amortised cost and for which fair values are considered to be same as the amortised costs disclosed in the financial statements. They are further classified them into Level 1 to Level 3 as required by the accounting standard and described in the significant accounting policies of the Company. Further, the note describes valuation techniques used, key inputs to valuations and quantitative information about significant unobservable inputs for fair value measurements.

As per assessments made by the management, fair values of all financial instruments carried at amortised cost (except investment in quoted non-convertible bonds) are not materially different from their carrying amounts since they are either short term nature or the interest rates applicable are equal to the current market rate of interest.

The Company has performed a fair valuation of its investment in mutual funds which are classified as FVTPL and bonds which are classified as FVOCI using quoted prices and fair valuations of foreign exchange forward contracts as per mark to market valuation from bank.

Sr. No	Particulars	Carrying value	
		31 March 2023	31 March 2022
	Financial asset		
A	**Levelled at level 1**		
	Carried at fair value through profit and loss (FVTPL)		
i)	Investments in mutual funds	**4198.607**	3906.273
	Carried at fair value through other comprehensive income (FVOCI)		
ii)	Investment in quoted non-convertible bonds*	**494.451**	-
B	**Levelled at level 2**		
i)	**Carried at fair value through profit and loss (FVTPL)**		
	Foreign exchange forward contracts	**-**	30.988
	(The fair value is as per the mark-to-market valuation from banks)		
C	**Carried at amortised cost**		
	Investment in quoted non-convertible bonds*	**635.884**	652.179
	Security deposits	**103.357**	79.491
	Trade receivable	**6797.313**	4169.398
	Receivable from subsidiaries	**2.545**	2.358
	Other receivables	**185.585**	253.922
	Cash and cash equivalents and other bank balances	**877.015**	1059.783
	Financial liabilities		
	Levelled at level 2		
A	**Carried at fair value through profit and loss (FVTPL)**		
	Foreign exchange forward contracts	**17.429**	-
	(The fair value is as per the mark-to-market valuation from banks)		
B	**Carried at amortised cost**		
	Trade payables	**4446.852**	3691.344
	Unclaimed dividends	**9.834**	10.648
	Lease Liability	**391.578**	172.433
	Other payables	**331.149**	270.206

*	Fair value of investment in quoted non-convertible bonds at amortised cost	**853.728**	652.569

Notes to the financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

36 Financial risk management policy and objectives

Company's principal financial liabilities, comprise lease liabilities and trade and other payables. The main purpose of these financial liabilities is to finance company's operations and to provide guarantees to support its operations. Company's principal financial assets include trade and other receivables, security deposits and cash and cash equivalents, that derive directly from its operations.

In order to minimise any adverse effects on the financial performance of the company, it has taken various measures. This note explains the source of risk which the entity is exposed to and how the entity manages the risk and impact of the same in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Aging analysis, external credit rating (wherever available)	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk- Foreign Currency Risk	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Sensitivity Analysis	Management follows established risk management policies, including use of derivatives like foreign exchange forward contracts, where the economic conditions match the company's policy.

The company's risk management is carried out by management, under policies approved by the board of directors. Company's treasury identifies, evaluates and hedges financial risks in close cooperation with the company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk, and investment of excess liquidity.

(A) Credit risk

Credit risk in case of the Company arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

Credit risk management

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The company considers the probability of default upon intial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward looking information such as:

(i) Actual or expected significant adverse changes in business,

(ii) Actual or expected significant changes in the operating results of the counterparty,

(iii) Financial or economic conditions that are expected to cause a significant change to counterparty's ability to meet its obligations,

(iv) Significant increases in credit risk on other financial instruments of the same counterparty,

(v) Significant changes in the value of collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

(All amounts are in Indian rupees million unless otherwise stated)

The company provides for expected credit loss in case of trade receivables, claims receivable and security deposits when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the company. The company categorises a receivable for provision for doubtful debts/write off when a debtor fails to make contractual payments greater than 180 days past due. The amount of provision depends on certain parameters set by the Company in its provisioning policy Where loans or receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Provision for expected credit loss

Financial assets for which loss allowance is measured using 180 days Expected Credit Losses (ECL)

Exposure to risk	31 March 2023	31 March 2022
Trade receivables	**7235.057**	4541.762
Less : expected loss	**437.744**	372.364
	6797.313	4169.398

	31 March 2023	31 March 2022
Trade receivables		
Neither past due nor impaired	**3106.941**	1705.108
Less than 180 days	**2840.746**	1819.511
181 - 365 days	**368.978**	266.368
More than 365 days	**480.649**	378.412
Total	**6797.313**	4169.398

Reconciliation of loss provision

	FY 2022-23	**FY 2021-22**
Opening loss allowance	**372.364**	**915.233**
Changes in loss allowance	**65.379**	**(542.869)**
Closing loss allowance	**437.744**	**372.364**

Note: Write back of provision is mainly on account of bad debts written off

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is carried out in accordance with practice and limits set by the group. In addition, the company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Exposure to risk	31 March 2023	31 March 2022
Other financial liabilities		
On demand	**9.834**	10.648
Less than 180 days	**348.578**	270.206
181 - 365 days	**147.024**	46.293
More than 365 days	**244.554**	126.140
Total	**749.990**	453.287

Notes to the financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

Exposure to risk	31 March 2023	31 March 2022
Trade payables		
Not Due	**4261.502**	1767.838
Less than 365 days	**185.350**	1923.506
More than 365 days	**-**	-
Total	**4446.852**	3691.344

The company has access to following undrawn facilities at the end of the reporting period

	31 March 2023	31 March 2022
Expiring within one year	**180.000**	180.000
Expiring beyond one year	**-**	-

(C) Foreign currency risk

The company is exposed to foreign exchange risk mainly through its sales to overseas customers and purchases from overseas suppliers in various foreign currencies.

The company evaluates exchange rate exposure arising from foreign currency transactions and the company follows established risk management policies, including use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk, where the economic conditions match the company's policy.

Foreign currency exposure :

Financial assets	Currency	Amount in foreign currency		Amount in INR	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
Trade receivables	EUR	**5.367**	0.150	**475.314**	12.516
	USD	**10.035**	7.456	**817.890**	560.739
	GBP	**0.180**	0.180	**18.107**	17.682
Bank accounts	EUR	**0.000**	2.256	**0.000**	188.599
	USD	**0.293**	2.644	**23.904**	198.679
Foreign exchange forward contracts	EUR	**4.000**	10.283	**361.800**	860.235
	USD	**3.100**	13.535	**256.370**	1017.949
Other receivable	USD	**0.110**	0.115	**8.957**	8.678

Financial liabilities	Currency	Amount in foreign currency		Amount in INR	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
Trade payables	EUR	**0.401**	0.404	**36.287**	34.512
	USD	**1.254**	0.895	**103.747**	68.210
	GBP	**0.000**	(0.006)	**0.018**	(0.590)
	SEK	**0.632**	29.634	**5.005**	241.046

Currency wise net exposure (assets -liabilities)

Particulars	Amount in foreign currency		Amount in INR	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
EUR	**8.966**	12.284	**800.827**	1026.838
USD	**12.284**	22.856	**1003.375**	1717.834
GBP	**0.180**	0.186	**18.088**	18.273
SEK	**(0.632)**	(29.634)	**(5.005)**	(241.046)

(All amounts are in Indian rupees million unless otherwise stated)

Sensitivity analysis

Currency	Amount in INR		Sensitivity %	Impact on profit- strengthen [Loss / (Gain)]		Impact on profit - weakening [Loss / (Gain)]	
	2023	2022		2023	2022	2023	2022
EUR	**800.827**	1026.838	5.00%	**(40.041)**	(51.342)	**40.041**	51.342
USD	**1003.375**	1717.834	5.00%	**(50.169)**	(85.892)	**50.169**	85.892
GBP	**18.088**	18.273	5.00%	**(0.904)**	(0.914)	**0.904**	0.914
SEK	**(5.005)**	(241.046)	5.00%	**0.250**	12.052	**(0.250)**	(12.052)
Total	**1817.285**	2521.899		**(90.864)**	(126.095)	**90.864**	126.095

(GBP - Great Britain Pound, EUR - Euro, USD - US Dollar, SEK- Swedish Krona)

37 Ageing schedule for Trade Receivables, Trade Payables and Capital Work-in-progress

(A) The table below provides details regarding ageing of Trade receivables

Particulars	31 March 2023						
	Unbilled dues/Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months -1 Year	1-2 Years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	3106.941	2840.746	368.978	301.160	134.968	-	6752.792
(ii) Undisputed Trade Receivables – credit impaired	-	-	36.567	80.516	95.182	177.536	389.801
(iii) Disputed Trade receivables - considered good	-	-	-	-	-	44.521	44.521
(iv) Disputed Trade receivables - credit impaired	-	-	-	-	-	47.942	47.942
Less: Impairment Allowance	-	-	(36.567)	(80.516)	(95.182)	(225.478)	(437.744)
Total	**3106.941**	**2840.746**	**368.978**	**301.160**	**134.968**	**44.521**	**6797.313**

Notes to the financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

Particulars	31 March 2022						
	Unbilled dues/Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months -1 Year	1-2 Years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	1705.108	1819.511	266.368	298.000	21.170	14.720	4124.877
(ii) Undisputed Trade Receivables – credit impaired	24.622	4.157	21.600	59.552	41.396	173.095	324.422
(iii) Disputed Trade receivables - considered good	-	-	-	-	-	44.521	44.521
(iv) Disputed Trade receivables - credit impaired	-	-	-	-	-	47.942	47.942
Less: Impairment Allowance	(24.622)	(4.157)	(21.600)	(59.552)	(41.396)	(221.037)	(372.364)
Total	**1705.108**	**1819.511**	**266.368**	**298.000**	**21.170**	**59.241**	**4169.398**

(B) The table below provides details regarding ageing of Trade payables

Particulars	31 March 2023					
	Unbilled dues/Not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
(i) MSME - Undisputed	1038.312	-	-	-	-	1038.312
(ii) Other - Undisputed	3223.190	135.453	30.107	3.064	16.726	3408.540
Total	**4261.502**	**135.453**	**30.107**	**3.064**	**16.726**	**4446.852**

Particulars	31 March 2022					
	Unbilled dues/Not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
(i) MSME - Undisputed	251.595	-	-	-	-	251.595
(ii) Other - Undisputed	1516.243	1701.046	216.696	0.587	5.177	3439.749
Total	**1767.838**	**1701.046**	**216.696**	**0.587**	**5.177**	**3691.344**

There are no disputed dues payable as at 31 March 2023 (31 March 2022: Nil)

(All amounts are in Indian rupees million unless otherwise stated)

(C) The table below provides details regarding ageing of Capital Work-in-progress (CWIP) and Intangibles under Development

Particulars	31 March 2023				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Capital Work-in-progress	47.790	18.166	-	-	65.956
Intangibles under Development	0.763	-	-	-	0.763

Particulars	31 March 2022				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Capital Work-in-progress	14.262	-	-	-	14.262
Intangibles under Development	-	6.656	-	-	6.656

Projects whose completion is overdue or has exceeded its cost compared to its original plan the year ended 31 March 2023 INR: NIL (31 March 2022 INR: NIL)

38 Analytical Ratios

Sr. No.	Ratio	Numerator	Denominator	31 March 2023	31 March 2022	% Variance	Reason for Variance
1	Current ratio	Current assets	Current liabilities	1.45	1.44	0.71%	NA
2	Debt-equity ratio	Debt	Net worth	NA	NA	NA	NA
3	Debt service coverage ratio	Profit after tax excluding exceptional items+Finance Cost+Depreciation and amortisation	Interest & Lease Payments + Principal Repayments	19.21	29.34	-34.53%	Refer Note (a) below
4	Return on equity ratio	Profit after tax	Average Shareholder's Equity	24.09%	19.53%	23.35%	NA
5	Inventory turnover ratio	Cost of Materials consumed+ Changes in Inventory+ Consumption of stores and spares	Average Inventory	6.95	6.89	0.87%	NA
6	Trade receivables turnover ratio	Sales (billed to customer)	Average Accounts Receivable	5.80	4.87	19.06%	NA
7	Trade payables turnover ratio	Net credit purchases	Average Trade Payables	4.95	4.61	7.41%	NA
8	Net capital turnover ratio	Sales	Average Working capital	5.72	4.56	25.39%	Refer Note (b) below

Notes to the financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

Sr. No.	Ratio	Numerator	Denominator	31 March 2023	31 March 2022	% Variance	Reason for Variance
9	Net profit ratio	Profit After Tax	Sales	7.54%	7.97%	-5.45%	NA
10	Return on capital employed	Earning Before Interest & Tax	Capital Employed	29.50%	23.75%	24.19%	NA
11	Return on investment	Income from Investments	Investment				
	i. Mutual Funds			5.28%	4.08%	29.30%	Refer Note (c) below
	ii. Bonds			7.04%	8.40%	-16.20%	NA
	iii. Fixed Deposits			2.10%-3.62%	2.50%-3.19%	13.48%	NA
	iv. Subsidiaries			18.02%	10.63%	69.52%	Refer Note (d) below

(a) Decrease in ratio is mainly on account of increase in number of leases entered during the year compared to increase in profit

(b) Improved ratio is on account of higher revenue from operations compared to increase in average working capital employed

(c) Favourable increase due to better market conditions

(d) Improved ratio due to better performance of subsidiaries business

39 Other Notes

i Details of Benami Property

The Company does not own any benami property neither any proceedings are initiated or pending against the Company under the Prohibition of Benami Property Transactions Act, 1988.

ii Borrowings secured against current assets

Though the Company does not have any fund based borrowings from banks or financial institutions on the basis of security of current assets, it has filed quarterly returns or statements of current assets with banks or financial institutions and the same are in agreement with the books of account read with notes given in the quarterly returns or statements.

iii Wilful Defaulter

The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.

iv Relationship with Struck off Companies

As per the information available with the Company, the Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

(All amounts are in Indian rupees million unless otherwise stated)

v Registration of charges with ROC

There are three charges totalling to INR 781.550 million created in favour of banks which are pending for satisfaction. There are no outstanding dues to these banks and satisfaction of these charges is pending due to technical issues which are being sorted out by the Company.

vi Utilisation of Borrowed funds and share premium

The Company does not have any borrowings. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) nor has it received any fund from any person(s) or entity(ies), including foreign entities (Funding Party).

vii Details of Crypto-Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

viii Disclosure pursuant to Sec 186 (4) of the Companies Act, 2013

a i) Name: Praj Far East Co. Ltd

ii) Purpose: Corporate Guarantee given for working capital limit

iii) Amount: INR 124.050 (31 March 2022: 114.360)

iv) No outstanding borrowings as on reporting date (31 March 2022: Nil)

b i) Name: Praj HiPurity Systems Limited

ii) Purpose: Corporate Guarantee given for working capital limit

iii) Amount: INR 700.000 (31 March 2022: 700.000)

iv) No outstanding borrowings as on reporting date (31 March 2022: Nil)

Notes to the financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

40 Capital management

Risk management

The company's objectives when managing capital are to

- safeguard it's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents) divided by total 'equity' (as shown in the balance sheet).

The company's strategy is to maintain a gearing ratio of 0%. The gearing ratios were as follows:

	31 March 2023	31 March 2022
Loans and borrowings	-	-
Less: cash and cash equivalents	**590.807**	782.092
Net debt	-	-
Equity	**10661.853**	9064.476
Capital and net debt	**10661.853**	9064.476
Gearing ratio	**0%**	0%

41 Prior year comparatives are regrouped / reclassified wherever necessary to conform to current period's presentation.

As per our report of even date.

For and on behalf of the Board of Directors of Praj Industries Limited

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Regn. No: 101118W/W100682

Dr. Pramod Chaudhari
Executive Chairman
(DIN : 00196415)

Shishir Joshipura
CEO and Managing Director
(DIN : 00574970)

Sachin Raole
CFO and Director - Resources
(DIN : 00431438)

Abhijeet Bhagwat
Partner
Membership No.: 136835

Dattatraya Nimbolkar
Chief Internal Auditor and
Company Secretary (M.No.: ACS4660)

Place: Pune
Date: 25 May 2023

Independent Auditors' Report

TO THE MEMBERS OF PRAJ INDUSTRIES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the Consolidated Financial Statements of Praj Industries Limited (hereinafter referred to as the "Holding Company") and its Subsidiaries (Holding Company and its Subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 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 then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, of the consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

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 Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matters" paragraph, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Revenue Recognition	Principle Audit Procedures
The Holding Company is engaged in the business of process and project engineering. The Holding Company recognises revenue from contracts on satisfaction of performance obligations over a period of time. Refer note 2.14 and 27 to the Consolidated Financial Statements. There are significant accounting judgements including estimation of costs to complete, determining the stage of completion and the timing of revenue recognition. The Holding Company recognises revenue and profit/loss on the basis of stage of completion based on the proportion of contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion. The recognition of revenue and profit/loss therefore rely on estimates in relation to total estimated costs of each contract. Cost contingencies are included in these estimates to take into account specific uncertain risks, or disputed claims against the Holding Company, arising within each contract. These contingencies are reviewed by the Management on a regular basis throughout the contract life and adjusted where appropriate.	i. Testing of the design and implementation of controls involved for the determination of the estimates used as well as their operating effectiveness; ii. Testing a sample of contracts for appropriate identification of performance obligations and verification of contract value; iii. For the sample selected, matched the contract revenue, actual invoices recorded and actual cost incurred against each project on the basis on which revenue is recognised; iv. Reviewed on a test check basis significant changes in cost to complete estimates, its approval mechanism and understood the reasons for such revisions in estimates; v. Understood the process, nature of expense heads and overheads adopted by the Holding Company's management to estimate costs for sample contracts; vi. Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings; vii. We have ensured that the disclosures provided in notes is in accordance with the Ind AS and the Companies Act, 2013.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis; Board of Directors' Report along with its Annexures and Corporate Governance Report included in the Annual Report but does not include the Consolidated Financial Statements and our Auditors' Report thereon. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

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

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

We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls with reference to the Consolidated Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in section titled 'Other Matter' in this audit report.

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

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

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

Other Matters Paragraphs

We did not audit the financial statements of two subsidiaries included in the Consolidated Financial Statements, whose financial statements reflect total assets of Rs. 87.531 million as at March 31, 2023, revenues from operation of Rs. 99.543 million, total comprehensive income (comprising of profit and other comprehensive income) of Rs. 21.744 million and net cash inflows of Rs. 8.907 million, for the year ended as on that date. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

These subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements and other financial information of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments, if any, made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and based on the consideration of reports of other auditors on separate financial statements, as noted in the Other Matters paragraph, we report, to the extent applicable, that:

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

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

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

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

   e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and companies incorporated in India included in the Group, none of the directors of the companies incorporated in India included in the Group, is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   f) For our opinion on the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure I.

g) As required by section 197 (16) of the Act; in our opinion and according to the information and explanations given to us; the remuneration paid during the current year to its Directors by the companies incorporated in India to whom section 197 applies, included in the Group 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.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and on the consideration of reports of the other auditors on separate financial statements:

(i) The Consolidated Financial Statements disclose the impact of pending litigations as at March 31, 2023 on the consolidated financial position of the Group - Refer Note 26 to the Consolidated Financial Statements.

(ii) The Group has made provision, as required under any law or accounting standards, for material foreseeable losses on long term contracts. The Group did not material foreseeable losses on any derivative contracts;

(iii) There is no delay in amounts, required to be transferred, to the Investor Education and Protection Fund by the companies incorporated in India in the Group during the year ended March 31, 2023.

(iv) (a) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("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 by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) The dividend declared and paid during the year by the Holding Company is in compliance with Section 123 of the Act.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by us for the Holding Company and other Indian subsidiary companies included in the Consolidated Financial Statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports except in case of Praj Industries Limited having CIN L27101PN1985PLC038031 in clause (vii) (a).

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration Number: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership Number: 136835
UDIN: 23136835BGXPOL3600

Pune
May 25, 2023

Annexure I to the Independent Auditors' Report

Referred to in paragraph 2 (f) under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

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

We have audited the internal financial controls with reference to the Consolidated Financial Statements of Praj Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiaries incorporated in India for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Group internal financial controls with reference to the Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal financial controls over financial reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial with reference 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 judgement, 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 Holding Company and subsidiary companies incorporated in India's internal financial controls with reference to Consolidated Financial Statements.

Meaning of Internal Financial Controls with reference to the Consolidated Financial Statements

A Company's internal financial control with reference to the Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to the Consolidated Financial Statements 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 Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to the Consolidated Financial Statements

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

Opinion

In our opinion, the Holding Company and subsidiaries incorporated in India have, in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration Number: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership Number: 136835
UDIN: 23136835BGXPOL3600

Pune
May 25, 2023

Consolidated Balance Sheet as at 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

Particulars	Note no.	31 March 2023	31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	**2365.992**	2085.329
Capital work-in-progress	3	**68.724**	14.261
Investment property	3	**136.928**	136.928
Goodwill	3	**626.150**	626.150
Intangible assets	3	**39.170**	12.173
Intangible assets under development		**0.763**	6.656
Financial assets			
Investments	4	**844.534**	652.192
Others	5	**123.367**	138.703
Deferred tax assets (net)	24	**111.470**	19.283
Other assets	6	**49.761**	30.562
		4366.859	**3722.237**
Current assets			
Inventories	7	**3336.241**	3450.301
Financial assets			
Investments	4	**4584.407**	3978.773
Trade receivables	8	**7948.334**	5117.941
Cash and cash equivalents	9	**985.814**	1074.563
Other bank balances	10	**462.381**	476.267
Others	5	**187.108**	294.010
Current tax asset (net)		**54.059**	50.215
Other assets	6	**4261.465**	4013.310
		21819.809	**18455.380**
TOTAL ASSETS		**26186.668**	**22177.617**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	11	**367.426**	367.347
Other equity	12	**10412.558**	8789.838
Sub-total - total equity attributable to parent		**10779.984**	9157.185
Non-controlling interests		**0.688**	0.448
Total equity		**10780.672**	**9157.633**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease Liability	30	**262.692**	147.550
Other financial liabilities		**6.393**	6.393
Provisions	13	**131.590**	170.533
		400.675	324.476
Current liabilities			
Financial liabilities			
Trade payables	14		
(i) Total outstanding dues of micro enterprises and small enterprises		**1166.635**	396.433
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		**3883.522**	3851.469
Lease Liability	30	**158.757**	63.326
Other financial liabilities	15	**388.529**	323.115
Other current liabilities	16	**8640.728**	7761.353
Provisions	13	**439.803**	225.678
Current tax liabilities (net)		**327.347**	74.134
		15005.321	**12695.508**
TOTAL LIABILITIES		**15405.996**	**13019.984**
TOTAL EQUITY AND LIABILITIES		**26186.668**	**22177.617**
Corporate Information	1		
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date.

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Regn. No: 101118W/W100682

For and on behalf of the Board of Directors of Praj Industries Limited

Abhijeet Bhagwat
Partner
Membership No.: 136835

Dr. Pramod Chaudhari
Executive Chairman
(DIN : 00196415)

Shishir Joshipura
CEO and Managing Director
(DIN : 00574970)

Sachin Raole
CFO and Director - Resources
(DIN : 00431438)

Place: Pune
Date: 25 May 2023

Dattatraya Nimbolkar
Chief Internal Auditor and
Company Secretary (M.No.: ACS4660)

Consolidated Statement of profit and loss for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

Particulars	Note no.	31 March 2023	31 March 2022
INCOME			
Revenue from operations	17	**35280.378**	23432.744
Other income	18	**356.008**	241.242
Total Income		**35636.386**	**23673.986**
EXPENSES			
Cost of materials consumed	19	**22291.935**	14910.867
Changes in inventories of finished goods, stock-in -trade and work-in-progress	20	**(277.581)**	(273.842)
Employee benefits expense	21	**2575.915**	2176.227
Finance costs	22	**46.289**	25.072
Depreciation and amortization expense	3	**302.471**	225.912
Exchange (gain) / loss		**(102.020)**	(120.655)
Other expenses	23	**7612.128**	4681.633
Total expenses		**32449.137**	**21625.214**
Profit before tax		**3187.249**	**2048.772**
Tax expenses	24		
Current tax		**874.854**	430.748
Deferred tax		**(85.497)**	87.734
Adjustments of tax relating to earlier periods		**(0.290)**	27.870
Total tax expenses		**789.067**	**546.352**
Profit for the year		**2398.182**	**1502.420**
Attributable to :			
Non-controlling interests		**0.241**	0.026
Owners of the company		**2397.941**	1502.394
Profit for the year		**2397.941**	**1502.394**
Other comprehensive income			
Items that will not be reclassified to profit and loss:			
Re-measurement of defined benefit plans		**(21.372)**	(10.644)
Income tax effect		**5.366**	2.812
		(16.006)	(7.832)
Items that will be reclassified to profit or loss :			
Debt instruments through other comprehensive income		**(5.261)**	-
Income tax effect		**1.324**	-
		(3.937)	-
Items that will be reclassified to profit or loss :			
Exchange differences on translation of foreign operations		**3.612**	(14.605)
Income tax effect		**-**	-
		3.612	(14.605)
Other comprehensive income		**(16.331)**	**(22.437)**
Total comprehensive income for the year		**2381.851**	**1479.983**
Attributable to :			
Non-controlling interests		**0.241**	0.026
Owners of the company		**2381.610**	1479.957
Earnings per equity share (Nominal value per share INR 2 each)	25		
(1) Basic		**13.05**	8.18
(2) Diluted		**13.05**	8.18
Corporate Information	1		
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date.

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Regn. No: 101118W/W100682

For and on behalf of the Board of Directors of Praj Industries Limited

Abhijeet Bhagwat
Partner
Membership No.: 136835

Dr. Pramod Chaudhari
Executive Chairman
(DIN : 00196415)

Shishir Joshipura
CEO and Managing Director
(DIN : 00574970)

Sachin Raole
CFO and Director - Resources
(DIN : 00431438)

Place: Pune
Date: 25 May 2023

Dattatraya Nimbolkar
Chief Internal Auditor and
Company Secretary (M.No.: ACS4660)

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

(All amounts are in Indian rupees million unless otherwise stated)

		31 March 2023	31 March 2022
A.	**Cash flow from operating activities**		
	Net profit before tax	**3187.249**	2048.773
	Adjustments for:		
	Loss / (profit) on sale of property, plant and equipment	**3.379**	(0.397)
	Gain on redemption of mutual fund investments	**(53.819)**	(57.514)
	Bad Debts / Provision for doubtful debts and advances	**255.355**	73.655
	Excess provision / creditors written back (including advances)	**(70.348)**	(6.784)
	Unrealised foreign exchange (gain) / loss (net)	**18.717**	(86.723)
	Sundry Balances Written Off	**0.623**	0.892
	Depreciation and amortisation	**302.471**	225.912
	Interest earned	**(83.047)**	(87.536)
	Unrealised gain on mutual fund investments	**(141.867)**	(54.694)
	Interest on Lease Liability	**30.846**	19.284
	Interest charged	**10.785**	0.021
	Equity-settled share-based payment transactions	**7.848**	29.355
	Operating profit before working capital changes	**3468.192**	**2104.244**
	Changes in working capital		
	(Increase) /decrease in trade receivables	**(3060.416)**	(668.546)
	(Increase)/decrease in inventories (including contracts in progress)	**(186.889)**	(3568.474)
	(Increase)/decrease in other non-current financial assets	**(7.137)**	(21.452)
	(Increase)/decrease in other non-current assets	**7.312**	66.262
	(Increase)/decrease in current financial assets-others	**61.609**	(165.013)
	(Increase)/decrease in other current assets	**52.794**	(452.442)
	Increase/(decrease) in trade payables	**811.638**	866.874
	Increase/(decrease) in other current financial liabilities	**66.228**	34.573
	Increase/(decrease) in other current liabilities	**879.375**	3998.748
	Increase/(decrease) in long term provisions	**(38.943)**	13.519
	Increase/(decrease) in short term provisions	**192.753**	118.642
	Cash generated from operations	**2246.516**	**2326.935**
	Direct taxes paid (including taxes deducted at source), net of refunds	**(625.195)**	(450.339)
	NET CASH FROM OPERATING ACTIVITIES	**1621.321**	**1876.596**

		31 March 2023	31 March 2022
B.	**Cash flow from investing activities**		
	Purchase of property, plant and equipment and intangible assets	**(352.005)**	(185.136)
	Investments:		
	- in mutual funds	**(4231.505)**	(4499.775)
	- in debentures & bonds	**(883.252)**	(254.120)
	Sale of investments		
	- in mutual funds	**4134.858**	3483.278
	- in debentures & bonds	**399.835**	-
	Proceeds from sale of property, plant and equipment	**(1.131)**	0.724
	Interest received on investments	**79.923**	87.340
	Investment /(redemption) in fixed deposits	**8.859**	(29.257)
	NET CASH FROM / (USED) IN INVESTING ACTIVITIES	**(844.418)**	**(1396.946)**
C.	**Cash flow from financing activities**		
	Proceeds from exercise of employee stock options	**3.600**	26.210
	Dividend paid	**(771.074)**	(396.808)
	Interest on Lease Liability	**(30.846)**	(19.284)
	Principal Payment on Leases	**(124.870)**	(53.636)
	Interest paid	**(10.785)**	(0.021)
	NET CASH FROM / (USED) IN FINANCING ACTIVITIES	**(933.975)**	**(443.539)**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(157.072)**	**36.111**
	Cash and cash equivalents at the beginning of the year (Refer Note 9)	**1074.563**	**1011.087**
	Add: effect of exchange rate changes on cash and cash equivalents	**68.323**	**27.365**
	Cash and cash equivalents at the end of the year (Refer Note 9)	**985.814**	**1074.563**

Notes:

The statement of cash flows has been prepared under the 'Indirect method' as set out in Ind AS 7

The accompanying notes are an integral part of the Cash Flow statement

As per our report of even date.

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Regn. No: 101118W/W100682

For and on behalf of the Board of Directors of Praj Industries Limited

Abhijeet Bhagwat
Partner
Membership No.: 136835

Dr. Pramod Chaudhari
Executive Chairman
(DIN : 00196415)

Shishir Joshipura
CEO and Managing Director
(DIN : 00574970)

Sachin Raole
CFO and Director - Resources
(DIN : 00431438)

Place: Pune
Date: 25 May 2023

Dattatraya Nimbolkar
Chief Internal Auditor and
Company Secretary (M.No.: ACS4660)

Statement of changes in equity for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

A. Equity share capital

Balance as on 1 April 2021	Changes in equity share capital during the year	Balance as on 31 March 2022
366.458	0.888	367.346
Balance as on 1 April 2022	**Changes in equity share capital during the year**	**Balance as on 31 March 2023**
367.346	0.080	367.426

B. Other equity

Particulars	Reserves and Surplus										Total attributable to owners of the company	Non controlling interest	Total
	Capital Reserve	Securities Premium Reserve	Reserves and Surplus			Special Economic Zone Re-investment Reserve	General reserve	Retained earnings	Debt instru-ments through Other Comprehensive Income	Exchange differences on translating the financial statements of a foreign operation			
			Capital redemption reserve	Amalgamation reserve	Share option outstanding account								
Balance at the beginning of the reporting period as at 1 April 2021	**0.033**	**982.276**	**14.627**	**3.063**	**18.624**	**383.900**	**958.500**	**5260.602**	**-**	**30.148**	**7651.773**	**0.422**	**7652.195**
Profit for the year								1502.395			1502.395	0.026	1502.421
Other comprehensive income								(7.832)		(14.605)	(22.437)		(22.437)
Dividends								(396.570)			(396.570)		(396.570)
Transfer to retained earnings											-		0.000
Employee stock options exercised during the year		43.721			(18.400)						25.322		25.322
Equity settled share based payment to employees					29.355						29.355		29.355
Employee stock options expired and transferred to/from statement of profit and loss					(0.224)			0.224			-		0.000
Transfer to/ From Special Economic Zone Re-investment Reserve						(61.400)		61.400			-		0.000
Balance as on 31 March 2022	**0.033**	**1025.997**	**14.627**	**3.063**	**29.355**	**322.500**	**958.500**	**6420.219**	**-**	**15.543**	**8789.838**	**0.448**	**8790.286**

Particulars	Reserves and Surplus										Total attributable to owners of the company	Non controlling interest	Total
	Capital Reserve	Securities Premium Reserve	Reserves and Surplus			Special Economic Zone Re-investment Reserve	General reserve	Retained earnings	Debt instru-ments through Other Comprehensive Income	Exchange differences on translating the financial statements of a foreign operation			
			Capital redemption reserve	Amalgamation reserve	Share option outstanding account								
Balance at the beginning of the reporting period as at 1 April 2022	**0.033**	**1025.997**	**14.627**	**3.063**	**29.355**	**322.500**	**958.500**	**6420.219**	**0.000**	**15.543**	**8789.838**	**0.448**	**8790.286**
Profit for the year								2397.941			2397.941	0.240	2398.181
Other comprehensive income								(12.069)	(3.937)	3.612	(12.394)		(12.394)
Dividends								(770.260)			(770.260)		(770.260)
Transfer to retained earnings											0.000		0.000
Employee stock options exercised during the year		14.152			(10.632)						3.520		3.520
Equity settled share based payment to employees					7.850						7.850		7.850
Employee stock options expired and transferred to/from statement of profit and loss											0.000		0.000
Transfer to/ From Special Economic Zone Re-investment Reserve						(159.500)		159.500			0.000		0.000
Balance as on 31 March 2023	**0.033**	**1040.149**	**14.627**	**3.063**	**26.573**	**163.000**	**958.500**	**8195.331**	**(3.937)**	**19.155**	**10416.449**	**0.688**	**10417.183**

As per our report of even date.

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Regn. No: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835

Place: Pune
Date: 25 May 2023

For and on behalf of the Board of Directors of Praj Industries Limited

Dr. Pramod Chaudhari
Executive Chairman
(DIN : 00196415)

Shishir Joshipura
CEO and Managing Director
(DIN : 00574970)

Sachin Raole
CFO and Director - Resources
(DIN : 00431438)

Dattatraya Nimbolkar
Chief Internal Auditor and
Company Secretary (M.No.: ACS4660)

(All amounts are in Indian rupees million unless otherwise stated)

1 The corporate overview

Praj Industries Limited ('PIL' or 'the holding company' or 'the company') is a public company domiciled in India and incorporated under the provisions of Indian Companies Act. The company's registered office is "Praj Tower", S. No. 274 and 275/2, Bhumkar Chowk-Hinjewadi Road, Hinjewadi, Pune – 411057, Maharashtra, India. The company's ordinary shares are listed on the Bombay Stock Exchange and National Stock Exchange in India.

The consolidated financial statements comprise the financial statements of the company and its subsidiaries (together referred to as "the group").

The group is engaged in the business of process and project engineering. The group caters to both domestic and international markets. Further, the group also provides design and engineering services.

2 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of the group comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The group has elected to present (gains) or losses arising from foreign exchange differences in a separate line item "Exchange (gain)/ loss" on the face of the statement of profit and loss.

The consolidated financial statements were authorised for issue by the Board of Directors on 25 May 2023.

2.2 Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following items, which are measured on an alternative basis on each reporting date.

Items	Measurement basis
Derivative financial instruments at fair value through profit or loss	Fair value
Certain non-derivative financial instruments at fair value through profit or loss and fair value through other comprehensive income	Fair value
Equity-settled share based payment transactions	Grant date fair value
Defined benefit plan assets	Fair value

2.3 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the group's functional currency. All amounts have been rounded-off to the nearest million, as per the requirements of Schedule III, unless otherwise stated.

2.4 Significant accounting judgments, estimates and assumptions

The preparation of the financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities and disclosure of the contingent liabilities at the end of each reporting period. Actual results may differ from these estimates.

Detailed information about each of these estimates and judgements is included in relevant notes.

The areas involving critical estimates and judgements are:

- Estimation of current tax expense and payable – Note 24
- Estimation of defined benefit obligation – Note 31
- Recognition of revenue – Note 27
- Recognition of deferred tax assets for carried forward tax losses – Note 24
- Impairment of trade receivables – Note 36

Estimation and underlying assumptions are reviewed on ongoing basis. Revisions to estimates are recognised prospectively.

2.5 Current versus non-current classification

The group presents assets and liabilities in the balance sheet based on current / non-current classification.

(All amounts are in Indian rupees million unless otherwise stated)

An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

2.6 Principles of consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiaries as at 31 March 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the holding company, i.e., year ended on 31 March 2023. The subsidiaries considered in the consolidated financial statements are summarized below:

% of shareholding in equity shares

Name of the subsidiary	Country of incorporation	31 March 2023	31 March 2022
Praj Engineering & Infra Ltd.	India	99.65%	99.65%
Praj Far East Co Ltd.	Thailand	100.00%	100.00%
Praj Americas Inc	United States of America	100.00%	100.00%
Praj HiPurity Systems Limited	India	100.00%	100.00%
Praj Industries (Africa) Pty. Ltd.	South Africa	100.00%	100.00%
Praj far East Philippines Inc.,	Philippines	100.00%	100.00%

The Company has formed wholly owned domestic **subsidiary by name "Praj GenX Limited" on 15 March 2023** to cater to the area of Energy Transition and Climate Action. The operations of the company are yet to start & hence do not form part of these consolidated financial statements.

In preparing the consolidated financial statements, the Group has used the following key consolidation procedures:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the holding company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the holding company's investment in each subsidiary and the holding company's portion of equity of each subsidiary. Business combinations policy explains accounting for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group. Profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full. However, intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 - Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit and loss and each component of other comprehensive income ('OCI') are attributed to the equity holders of the holding company of the group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it deconsolidates the subsidiary from the date it ceases control.

2.7 Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed (including contingent liabilities) are recognised/ measured at their acquisition date fair values, except for certain cases.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in in OCI and accumulated in equity as capital reserve.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

2.8 Property, plant and equipment

- **Recognition and measurement**

  Items of property, plant and equipment are measured at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost.

  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.

  Property, plant and equipment under construction are disclosed as capital work-in-progress.

  Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are disclosed under 'Other non-current assets'.

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

- **Subsequent costs**

  The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss as incurred.

- **Disposal**

  An item of property, plant and equipment is derecognised upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on 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 recognised net within other income/ expenses in the statement of profit and loss.

- **Depreciation**

  Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment as prescribed in Schedule II of the Companies Act, 2013, as assessed by the management of the group based on technical evaluation. Freehold land is not depreciated.

  The property, plant and equipment acquired under finance leases is depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the group will obtain ownership by the end of the lease term.

  The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Useful life (in years)
Buildings	30-60
Plant and machinery	7.5-15
Computers and office equipment	3-5
Vehicles	8
Furniture and fixtures	10

2.9 Intangible assets

- **Recognition and measurement**

  Intangible assets are recognised when the asset is identifiable, is within the control of the group, it is probable that the future economic benefits that are attributable to the asset will flow to the group and cost of the asset can be reliably measured.

  Expenditure on research activities is recognised in the statement of profit and loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the group intends to and has sufficient resources to complete development and to use or sell the asset.

  Intangible assets acquired by the group that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

- **Subsequent measurement**

  Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

- **Amortisation**

  Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation is recognised in statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

(All amounts are in Indian rupees million unless otherwise stated)

The estimated useful lives for current and comparative periods are as follows:

Asset	Useful life
Technical know-how	5 - 10 years
Software	5 years

2.10 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the group, is classified as investment property.

Investment property is initially measured at cost, including related transaction costs. The cost of investment property includes its purchase price and directly attributable expenditure, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Subsequent to the initial recognition, investment property is stated at cost less accumulated depreciation and accumulated impairment loss, if any. Depreciation on investment property has been provided in a manner that amortises the cost of the assets over their estimated useful lives on straight line method as per the useful life prescribed under Schedule II to the Act. Investment property in the form of land is not depreciated.

Investment property is derecognised either when it is disposed off or permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement profit and loss in the period of derecognition.

2.11 Impairment of non-financial assets

The group assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are considered.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in the statement of profit and loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, 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 amortisation, if no impairment loss had been recognised.

2.12 Inventories

Raw materials, components, stores and spares, work-in-progress and finished goods are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost of raw materials, components, stores and spares comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated based on normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory based on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

2.13 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.14 Revenue recognition

Revenue is recognised when performance obligation is satisfied by transferring promised goods or services and to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the transaction price (consideration) allocated to performance obligation adjusted for returns, trade allowances, rebates, and excludes taxes collected from customer on behalf of government and amounts collected on behalf of third parties.

- **Contract revenue**

  Revenue from fixed price contracts is recognised over time, when the outcome of the contract can be estimated reliably by reference to the percentage of completion of the contract on the reporting date under input method. Percentage of completion is determined as a proportion of costs incurred-to-date to the total estimated contract costs. In respect of process technology and design and engineering contracts percentage of completion is measured with reference to the milestones specified in the contract, which in the view of the management reflects the work performed and to the extent it is reasonably certain of recovery.

  Contract costs include costs that relate directly to the specific contract and costs that are attributable to the contract activity and allocable to the contract. Costs that cannot be attributed to contract activity are expensed when incurred.

  When the final outcome of a contract cannot be reliably estimated, contract revenue is recognised only to the extent of costs incurred that are expected to be recoverable. The provision for expected loss is recognised immediately when it is probable that the total estimated contract costs will exceed total contract revenue.

  Variations, claims and incentives are recognised as a part of contract revenue to the extent it is probable that they will result in revenue and are capable of being reliably measured.

  Determination of revenues under the percentage of completion method necessarily involves making estimates by the group, some of which are of a technical nature, concerning, where relevant, the percentage of completion, costs to completion, the expected revenues from the project / activity and the foreseeable losses to completion.

  Execution of contracts necessarily extends beyond accounting periods. Revision in costs and revenues estimated during the course of the contract are reflected in the accounting period in which the facts requiring the revision become known.

- **Sale of goods and rendering of services**

  Revenue from sale of goods in the course of ordinary activities is recognised when property in the goods or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection.

  Revenue from services is recognised as the related services are performed.

2.15 Other income

- **Interest income**

  Interest income from debt instruments is recognised using effective interest rate method (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

- **Dividends**

  Dividends are recognised in the statement of profit and loss only when the right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the group, and the amount can be measured reliably.

- **Export benefits**

  Export benefits in the form of Duty Draw Back / Merchandise Exports Incentive Scheme (MEIS) / Service Exports Incentive Scheme (SEIS) claims are recognised in the statement of profit and loss on receipts basis.

2.16 Foreign currency transactions and balances

The Group's consolidated financial statements are presented in Indian Rupees, which is also the functional currency of the holding company. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

(i) Transaction and balances

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting period are translated at the closing exchange rates and the resultant exchange differences are recognised in the statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

(ii) Group companies

On consolidation, the assets and liabilities of the subsidiaries are translated into Indian Rupees at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at average exchange rates. Equity items, other than retained earnings, are translated at the spot rate in effect on each related transaction date (specific identification). Retained earnings are translated at the weighted average exchange rate for the relevant year.

The exchange differences arising on translation for consolidation are recognised in other comprehensive income.

2.17 Employee benefits

- **Short-term employee benefit**

  Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised in the period in which the employee renders the related service.

- **Post-employment benefits**

  Defined contribution plans

  Contributions to the provident fund pension scheme, employee state insurance scheme and superannuation fund, which are defined contribution schemes, are recognised as an employee benefit expense in the statement of profit and loss in the period in which the contribution is due.

  Defined benefit plans

  The employees' gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

  The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the reporting date, having maturity periods approximating to the terms of related obligations.

  Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

  In case of funded plans, the fair value of the plan's assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The group recognises gains/ losses on settlement of a defined plan when the settlement occurs.

Other long-term employee benefits

The liabilities for earned leave are not expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method as determined by actuarial valuation. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Termination benefits

Termination benefits are expensed at the earlier of when the group can no longer withdraw the offer of those benefits and when the group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

2.18 Share-based payments

The grant fair value of equity settled share based payment awards granted to employees is recognised as employee benefit expense with corresponding increase in equity. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are required to be satisfied. At the end of each reporting period, the group revises its estimates of the number of options that are expected to vest based on the service and non-vesting conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit and loss, with a corresponding adjustment to equity.

2.19 Leases

Lease is a contract that provides to the customer (lessee) the right to use an asset for a period of time in exchange for consideration.

a. Company as a Lessee

A lessee is required to recognise assets and liabilities for all leases and to recognise depreciation of leased assets separately from interest on lease liabilities in the statement of Profit and Loss. The Company uses the practical expedient to apply the requirements of this standard to a portfolio of leases with similar characteristics if the effects on the financial statements of applying to the portfolio does not differ materially from applying the requirement to the individual leases within that portfolio.

However according to Ind AS 116, for leases with a lease term of 12 months or less (short-term leases) and for leases for which the underlying asset is of low value, not to recognize a right-of-use asset and a lease liability. The Company applies both recognition exemptions. The lease payments associated with those leases are generally recognized as an expense on a straight-line basis over the lease term or another systematic basis if appropriate.

a.1 Right to use asset

Right-of-use assets, which are included under property, plant and equipment, are measured at cost less any accumulated depreciation and, if necessary, any accumulated impairment. The cost of a right-of-use asset comprises the present value of the outstanding lease payments plus any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs and an estimate of costs to be incurred in dismantling or removing the underlying asset. In this context, the Company also applies the practical expedient that the payments for non-lease components are generally recognized as lease payments. If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the right-of-use asset is depreciated to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated to the end of the lease term.

a.2 Lease liability

Lease liabilities, which are assigned to financing liabilities, are measured initially at the present value of the lease payments. Subsequent measurement of a lease liability includes the increase of the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

b. Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Company is a lessor under an operating lease, the asset is capitalised within property, plant and equipment and depreciated over its useful economic life. Payments received under operating leases are recognised in the Statement of profit and Loss on a straight-line basis over the term of the lease.

Critical accounting estimates and judgements

Critical judgements required in the application of Ind AS 116 may include, among others, the following:

- Identifying whether a contract (or part of a contract) includes a lease;
- Determining whether it is reasonably certain that an extension or termination option will be exercised;
- Classification of lease agreements (when the entity is a lessor);
- Determination of whether variable payments are in-substance fixed;
- Establishing whether there are multiple leases in an arrangement;
- Determining the stand-alone selling prices of lease and non-lease components.

Key sources of estimation uncertainty in the application of Ind AS 116 may include, among others, the following:

- Estimation of the lease term;
- Determination of the appropriate rate to discount the lease payments;
- Assessment of whether a right-of-use asset is impaired.

2.20 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

2.21 Income tax

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

- **Current tax**

  Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date in the country where the group operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

  Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The group recognises MAT credit available as an asset only to the extent that there is convincing evidence that the group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The group reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent the group does not have convincing evidence that it will pay normal tax during the specified period.

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

- **Deferred tax**

Deferred tax is provided using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

In the situations where the group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the group's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the group restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

2.22 Provisions and contingencies

A provision is recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in the statement of profit and loss.

Contingent liability is disclosed in case of

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.

- present obligation arising from past events, when no reliable estimate is possible
- a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent asset is not recognised in the financial statements. A contingent asset is disclosed, where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.23 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the group by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted EPS adjust the figures used in the determination of basic EPS to consider

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.24 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

For the purpose of fair value disclosures, the group has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.25 Financial instruments

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

Financial assets

Classification

The group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss);
- those measured at amortised cost.

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

The classification depends on the group's business model for managing the financial assets and the contractual terms of cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or OCI. For investments in debt instruments, this will depend on the business model in which investment is held. For investments in equity instruments, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for equity investment at fair value through OCI.

The group classifies debt investments when and only when its business model for managing those assets changes.

Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are satisfied:

- The asset is held within a business model whose ojective is to hold assets for collecting contractual cash flows, and
- The contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of hedging relationship is recognised in the statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using effective interest rate (EIR) method.

Debt instruments at fair value through other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVTOCI. The movements in the carrying amount are recognised through OCI, except for the recognition of impairment gains and losses, interest revenue and foreign exchange gain or losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss and recognised in other gains / losses. Interest income from these financial assets is included in other income using EIR method.

Debt instruments at fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on debt instrument that is subsequently measured at FVTPL and is not a part of hedging relationship is recognised in the statement of profit and loss within other gains / losses in the period in which it arises. Interest income from these financial assets is included in other income.

Equity investments

All equity investments in the scope of 'Ind AS 109 - Financial instruments' are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the group may make an irrevocable election to recognise subsequent changes in the fair value in OCI. The group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of equity instrument.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

(All amounts are in Indian rupees million unless otherwise stated)

Derecognition

The group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Impairment of financial assets

The group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 40 details how the group determines whether there has been a significant increase in credit risk.

For trade receivables only, the group applies the simplified approach permitted by 'Ind AS 109 - Financial instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Non-derivative financial liabilities

Recognition

The group initially recognises borrowings, trade payables and related financial liabilities on the date on which they are originated.

All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the group becomes a party to the contractual provisions of the instrument.

Measurement

Non-derivative financial liabilities are initially recognised at fair value, net of transaction costs incurred. Subsequent to initial recognition, these liabilities are measured at amortised cost using EIR method.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.26 Cash dividend to equity holders

The group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.27 Government grant

Government grants are recognised at their fair value when there is a reasonable assurance that the grant will be received and group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with costs that they are intended to compensate and presented within other income.

Government grants relating to purchase of property, plant and equipment are initially recognised as deferred income at fair value and subsequently recognised in the statement of profit and loss on a systematic basis over the useful life of the asset.

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

2.28 Standards issued but not effective

Amendment to Indian Accounting Standard Rules, 2015

Ministry of Corporate Affairs (MCA), vide notification dated 31st March 2023, has made the following amendments to Ind AS which are effective 1st April, 2023:

Particulars	Explanation
Ind AS 1, Presentation of Financial Statements	The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.
Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors	The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.
Ind AS 12, Income Taxes	The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the initial recognition exemption so that it does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

3 Property, plant and equipment, capital Work-in-progress, investment property and intangible assets as on 31st March 2023

	Property, plant and equipment														Intangible Assets			Goodwill	Investment property	Grand total
	Land		Land Freehold	Buildings		Plant and machinery		Computers and office equipment		Vehicles		Furniture and fixtures		Total						
	Leasehold Refer note 1	Right-of-Use		Owned	Right-of-Use	Owned	Right-of-Use	Owned	Right-of-Use	Owned	Right-of-Use	Owned	Right-of-Use		Technical knowhow	Software	Total		Land (Freehold)	
Gross Block																				
As at 1 April 2022	11.000	243.954	370.517	1,532.119	25.271	1,869.302	5.450	326.742	112.596	54.848	-	264.976	-	4,816.775	93.753	117.268	211.021	822.712	136.928	5,987.436
Additions / adjustments	-	-	-	17.948	129.555	188.426	39.823	18.321	49.990	1.068	57.872	18.686	57.100	578.789	-	35.399	35.399	-	-	614.188
Deletions	-	-	-	-	-	4.100	-	9.542	12.916	5.133	-	2.376	-	34.067	-	-	-	-	-	34.067
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2023	**11.000**	**243.954**	**370.517**	**1,550.067**	**154.826**	**2,053.628**	**45.273**	**335.521**	**149.670**	**50.783**	**57.872**	**281.286**	**57.100**	**5,361.497**	**93.753**	**152.667**	**246.420**	**822.712**	**136.928**	**6,567.557**
Accumulated depreciation and amortisation																				
As at 1 April 2022	1.126	182.483	-	554.451	6.639	1,374.771	3.636	304.205	32.242	35.923	-	235.971	-	2,731.447	92.845	106.002	198.847	196.5620	-	3,126.856
Charge for the year	0.122	-	-	48.884	55.111	103.620	1.928	10.752	50.143	5.724	8.732	8.896	0.156	294.068	0.541	7.862	8.403	-	-	302.471
Deletions / Adjustments	-	-	-	-	-	1.926	-	9.541	12.916	3.332	-	2.295	-	30.010	-	-	-	-	-	30.010
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2023	**1.248**	**182.483**	**-**	**603.335**	**61.750**	**1,476.465**	**5.564**	**305.416**	**69.469**	**38.315**	**8.732**	**242.572**	**0.156**	**2,995.505**	**93.386**	**113.864**	**207.250**	**196.562**	**-**	**3,399.317**
Net Carrying value																				
As at 31 March 2023	9.752	61.471	370.517	946.732	93.076	577.163	39.709	30.105	80.201	12.468	49.140	38.714	56.944	2,365.992	0.367	38.803	39.170	626.150	136.928	3,168.240
As at 31 March 2022	9.874	61.471	370.517	977.668	18.632	494.531	1.814	22.537	80.354	18.925	-	29.005	-	2,085.328	0.908	11.266	12.174	626.150	136.928	2,860.580

Note:

1. The land has been taken on a long term lease i.e. for 99 years.

2. Refer Note 26 for contractual commitments for the acquisition of property plant and equipment.

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

3 Property, plant and equipment, capital Work-in-progress, investment property and intangible assets as on 31st March 2022

	Property, plant and equipment												Intangible Assets			Goodwill	Investment property	Grand total
	Land		Land Freehold	Buildings		Plant and machinery		Computers and office equipment		Vehicles	Furniture and fixtures	Total	Technical knowhow	Software	Total		Land (Freehold)	
	Leasehold Refer note 1	Right-of-Use		Owned	Right-of-Use	Owned	Right-of-Use	Owned	Right-of-Use									
Gross Block																		
As at 1 April 2021	11.000	243.954	370.517	1,513.938	25.271	1,751.654	5.450	309.671	24.675	58.303	263.283	4,577.716	93.753	109.009	202.762	822.712	136.928	5,740.118
Additions / adjustments	-	-	-	18.181	-	117.913	-	17.202	87.921	-	1.693	242.910	-	8.259	8.259	-	-	251.169
Deletions	-	-	-	-	-	0.265	-	0.131	-	3.455	-	3.851	-	-	-	-	-	3.851
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2022	**11.000**	**243.954**	**370.517**	**1,532.119**	**25.271**	**1,869.302**	**5.450**	**326.742**	**112.596**	**54.848**	**264.976**	**4,816.775**	**93.753**	**117.268**	**211.021**	**822.712**	**136.928**	**5,987.436**
Accumulated depreciation and amortisation																		
As at 1 April 2021	1.004	160.996	-	507.278	1.499	1,279.245	1.816	294.155	9.295	32.768	225.489	2,513.545	92.304	102.057	194.361	196.562	-	2,904.468
Charge for the year	0.122	21.487	-	47.173	5.140	95.715	1.820	10.181	22.947	6.359	10.482	221.426	0.541	3.945	4.486	-	-	225.912
Deletions / Adjustments	-	-	-	-	-	0.189	-	0.131	-	3.204	-	3.524	-	-	-	-	-	3.524
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2022	**1.126**	**182.483**	**-**	**554.451**	**6.639**	**1,374.771**	**3.636**	**304.205**	**32.242**	**35.923**	**235.971**	**2,731.447**	**92.845**	**106.002**	**198.847**	**196.562**	**-**	**3,126.856**
Net Carrying value																		
As at 31 March 2022	9.874	61.471	370.517	977.668	18.632	494.531	1.814	22.537	80.354	18.925	29.005	2,085.328	0.908	11.266	12.174	626.150	136.928	2,860.580
As at 31 March 2021	9.996	82.958	370.517	1,006.660	23.772	472.409	3.634	15.516	15.380	25.535	37.794	2,064.171	1.449	6.952	8.401	626.150	136.928	2,835.650

(All amounts are in Indian rupees million unless otherwise stated)

3 Property, plant and equipment, capital work-in-progress, investment property and intangible assets

Details of capital work-in-progress and intangible under development

Particulars	31 March 2023	31 March 2022
Balance at start of the year	**20.917**	6.144
Add: Additions during the year	**58.963**	18.340
Less: Capitalised during the year	**10.393**	3.566
Balance at the end of the year	**69.487**	**20.917**

Capital work-in-progress (CWIP) comprises of:

a. Building INR 47.052 million (31 March 2022 10.577 million)

b. Machinery INR 19.096 million (31 March 2022 INR 3.684 million)

c. Network Equipment INR 2.577 million (31 March 2022 INR Nil million)

d. Software under development INR 0.763 million (31 March 2022 INR 6.656)

Refer Note 37C for ageing

Investment property: Reconciliation of Fair Value

Particulars	Land
Fair value as at 31 March 2022	**427.322**
Fair value difference	**(19.296)**
Fair value as at 31 March 2023	**408.026**

The Company has obtained independent valuation for its investment property from a government approved valuer who is a specialist in valuing these types of investment properties.

The valuation has been made with reference to the prevailing market rates and using the approved valuation method.

All resulting fair value estimates for investment property are considered as level 3.

Goodwill Impairment testing

Goodwill pertains to Praj HiPurity Systems Limited which is tested for impairment at the entity level ('CGU'). Value-in-use is determined based on discounted future cash flows. The key assumptions used for the calculations are as follows :

Particulars	31 March 2023	31 March 2022
Long-term growth rate	**8%**	8%
Discounting rate	**13%**	12%

The estimated recoverable amount of the CGU exceeded its carrying amount. Reasonable sensitivities in key assumptions are unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating units.

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

		31 March 2023	31 March 2022
4	**Investments**		
	(i) Unquoted Investments at amortised cost :		
	Investment in National saving certificate	-	0.013
		-	0.013
	(ii) Investments at amortised cost		
	Quoted investments in non-convertible debentures / bonds:		
	Nil Bonds issued by HDFC Bank Limited Unsecured Non-Convertible Perpetual Bonds Series 1/2017-18, Coupon 8.85% (31 March 2022 : 300)	-	300.006
	Nil Bonds issued by SBI Bank Unsecured Non-Convertible Perpetual Bonds Series IV, Coupon 8.15% (31 March 2022 : 100)	-	99.829
	Nil Bonds issued by SBI Bank Unsecured Non-Convertible Perpetual Bonds Series IV, Coupon 7.73% (31 March 2022 : 250)	-	252.344
	10 Bonds issued by HDFC Bank Limited Unsecured Non-Convertible Bonds Basel III Tier 2, Coupon 7.84% (31 March 2022 : Nil)	**100.084**	-
	10 Bonds issued by HDB Financial Services Limited Unsecured Non-Convertible Bonds Coupon 7.99% (31 March 2022 : Nil)	**250.000**	-
	Total	**350.084**	652.179
	(iii) Investments at fair value through other comprehensive income (FVOCI)		
	Quoted investments in non-convertible debentures / bonds:		
	250 Bonds issued by SBI Bank Unsecured Non-Convertible Perpetual Bonds Series IV, Coupon 7.73% (31 March 2022 : Nil)	247.075	-
	50 Bonds issued by State Bank of India Unsecured Non-Convertible Perpetual Bonds Series II, Coupon 7.73% (31 March 2022 : Nil)	49.472	-
	90 Bonds issued by State Bank of India Unsecured Non-Convertible Perpetual Bonds Series I, Coupon 7.74% (31 March 2022 : Nil)	89.125	-
	30 Bonds issued by State Bank of India Unsecured Non-Convertible Perpetual Bonds Series I, Coupon 7.74% (31 March 2022 : Nil)	29.708	-
	50 Bonds issued by State Bank of India Unsecured Non-Convertible Perpetual Bonds Series I, Coupon 7.74% (31 March 2022 : Nil)	49.514	-
	3 Bonds issued by State Bank of India Unsecured Non-Convertible Perpetual Bonds Series I, Coupon 7.72% (31 March 2022 : Nil)	29.556	-
		494.450	0.000
	Total non-current	**844.534**	652.192

(All amounts are in Indian rupees million unless otherwise stated)

	31 March 2023	31 March 2022
Current investments		
(i) Investments at amortised cost		
Quoted investments in non-convertible debentures / bonds:		
2,500,000 bonds issued by GOI Unsecured Non-Convertible Pepetual Bonds TBILL Zero Coupon Bonds (31 March 2022: Nil)	**235.734**	-
500,000 bonds issued by GOI Unsecured Non-Convertible Pepetual Bonds GOI Loan 2023 Coupon 7.16% (31 March 2022: Nil)	**50.067**	-
Total	**285.801**	0.000
Current investments		
(ii) Investments at fair value through profit and loss (FVTPL)		
Quoted mutual funds		
ADITYA BIRLA SUN LIFE FMP SR-SI 1141 DAYS - NIL Units (31 March2022 : 3,000,000 Units)	-	37.890
ADITYA BIRLA SUN LIFE FMP SR-SI 1120 DAYS - NIL Units (31 March2022 : 5,000,000 Units)	-	62.386
HDFC FMP 1133 DAYS DIRECT GR SR-44 - NIL Units (31 March2022 : 5,000,000 Units)	-	63.092
INVESCO INDIA ACTIVE INCOME FUND-DIR PL-GW -NIL Units (31 March2022 : 24862.734 Units)	-	67.999
KOTAK FMP SERIES 267 DIRECT GW - NIL Units (31 March2022 : 5,000,000 Units)	-	62.386
RELAINCE FIXED HORIZON-XXXVII-SR04 - NIL Units (31 March2022 : 5,000,000 Units)	-	67.754
FRANKLIN IND SAVING FUND-DIRECT - NIL Units (31 March 2022 : 1,344,892.234 Units)	-	55.806
SBI MAGNUM ULTRA SHORT DURATION FUND DIRECT GROWTH - 30,705.283 Units (31 March 2022 : 10,694.706 Units)	**158.391**	52.373
UTI MONEY MARKET FUND - DIRECT GROWTH PLAN - 14,794.600 Units (31 March 2022 : 14,794.600 Units)	**56.932**	53.944
IDFC FLOATING RATE FUND DIRECT PLAN-GROWTH - 9,999,599.025 Units (31 March 2022 : 9,999,599.025 Units)	**109.834**	104.709
ICICI PRUDENTIAL MONEY MARKET FUND - GROWTH-P8123- NIL Units (31 March 2022 : 2,186036.654 Units)	-	52.270
SBI SAVING FUND-REGULAR PLAN-GROWTH- NIL Units (31 March 2022 : 1,535,361.139 Units)	-	51.730
UTI FLOATER FUND-DIRECT GROWTH PLAN -GROWTH-INF789F1ACX5 - 81,739.196 Units (31 March 2022 : 81,739.196 Units)	**108.266**	102.863
ADITYA BIRLA SUN LIFE FLOATING RATE FUND-GROWTH-DIRECT PLAN-710,730.268 Units (31 March 2022: 364,114.172 Units)	**210.229**	103.244
ICICI PRUDENTIAL ULTRA SHORT TERM FUND-DIRECT PLAN-GROWTH- NIL Units (31 March 2022 : 2,162,905.192 Units)	-	51.717
ADITYA BIRLA SUN LIFE SAVING FUND-GROWTH-DIRECT PLAN - NIL Units (31 March 2022 : 227,959.594 Units)	-	101.513
ICICI PRUDENTIAL SAVING FUND - GROWTH 1525 - 116,649.927 Units (31 March 2022 : 116,649.927 Units)	**53.366**	50.552
UTI MONEY MARKET FUND DIRECT GROWTH PLAN GROWTH -ISIN- NIL Units (31 March 2022 : 17,776.323 Units)	-	50.774

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

	31 March 2023	31 March 2022
HSBC ULTRA SHORT DURATION FUND DIRECT GROWTH UCC- 4,393.345 Units (31 March 2022 : 92,119.923 Units)	**5.112**	101.544
AXIX ARBITRAGE FUND - DIRECT GROWTH (EA-DG)- NIL Units (31 March 2022 : 3,148,258.933 Units)	-	50.959
UTI ARBITRAGE FUND -DIRECT GROWTH PLAN- 1,707,133.447 Units (31 March 2022 : 1,707,133.447 Units)	**53.540**	50.738
TATA ARBITRAGE FUND -DIRECT PLAN - GROWTH- NIL Units (31 March 2022 : 4,234,564.252 Units)	-	50.753
SBI ARBITRAGE OPPORTUNITIES FUND -DIRECT PLAN -GROWTH- NIL Units (31 March 2022 : 1,778,713.432 Units)	-	50.746
NIPPON INDIA ARBITRAGE FUND -DIRECT GROWTH PLAN GROWTH OPTION - NIL Units (31 March 2022 : 2,225,384.905 Units)	-	50.801
DSP ARBITRAGE DIR GROWTH ISIN- NIL Units (31 March 2022 : 4,063,515.940 Units)	-	50.676
UTI ADVANTAGE FUND-REGULAR PLAN GROWTH- NIL Units (31 March 2022 : 17,688.649 Units)	-	50.523
AXIX TREASURY ADVANTAGE FUND - REGULAR GROWTH (TA-GP) - NIL Units (31 March 2022 : 20,238.340 Units)	-	50.538
TATA TREASURY ADVANTAGE FUND REGULAR PLAN-GROWTH- NIL Units (31 March 2022 : 15,804.241 Units)	-	50.490
DSP LONG DURATION FUND-REGULAR PLAN-GROWTH- NIL Units (31 March 2022 : 4,290,267.127 Units)	-	100.994
INVESCO INDIA MONEY MARKET FUND-DIRECT GROWTH PLAN-(CD-D1)- NIL Units (31 March 2022 : 19,877.305 Units)	-	50.508
KOTAK MONEY MARKET FUND-DIRECT PLAN-GROWTH- 41,591.271 Units (31 March 2022 : 41,591.271 Units)	**159.226**	150.590
TATA MONEY MARKET FUND GROWTH PLAN-GROWTH - 13,219.932 Units (31 March 2022 : 13,219.932 Units)	**53.515**	50.571
AXIX-CPSE PULS SDL 2025 70:30 DEBT INDEX FUND DIRECT GROWTH (CS-DG) - 4,999,750.012 Units (31 March 2022 : 4,999,750.012 Units)	**51.828**	50.413
ADITYA BIRLA SUN LIFE LIQUID FUND-GROWTH-REGULAR PLAN - NIL Units (31 March 2022 : 147,401.463 Units)	-	50.181
TATA LIQUID FUND REGULAR PLAN-GROWTH- NIL Units (31 March 2022 : 15,055.450 Units)	-	50.181
INVESCO INDIA LIQUID FUND-GROWTH(LG-SG) -NIL Units (31 March 2022 : 17,272.690 Units)	-	50.175
HSBC CASH FUND - GROWTH UCC- NIL Units (31 March 2022 : 23,815.145 Units)	-	50.177
SUNDARAM LIQUID FUND (Principle Cash Mgmt Fund) REGULAR GROWTH- NIL Units (31 March 2022 : 53,752.950 Units)	-	100.313
LIC MF LIQUID FUND-REGULAR PLAN GROWTH - NIL Units (31 March 2022 : 13,105.488 Units)	-	50.145
MIRAE ASSET CASH MAMAGEMENT FUND-REGULAR PALN GROWTH - NIL Units (31 March 2022 : 22,627.672 Units)	-	50.150
NIPPON INDIAN LIQUID FUND GROWTH PLAN-GROWTH OPTION (LFIGG) - NIL Units (31 March 2022 : 9,710.565 Units)	-	50.150
UTI MONEY MARKET FUND-DIRECT PLAN-GROWTH- 78,573.903 Units (31 March 2022 : 40,187.823 Units)	**207.032**	100.099

(All amounts are in Indian rupees million unless otherwise stated)

	31 March 2023	31 March 2022
TATA MONEY MARKET FUND GROWTH PLAN-GROWTH- 26,1717.747 Units (31 March 2022 : 26,1717.747 Units)	**105.945**	100.116
ICICI PRUDENTIAL MONEY MARKET FUND DIRECT GROWTH-DIRECT PLAN-326,168.043 Units (31 March 2022 : 326,168.043 Units)	**105.779**	100.099
AXIX MONEY MARKET FUND DIRECT GROWTH (MM-DG)- 169,198.493 Units (31 March 2022 : 86,861.189 Units)	**206.018**	100.045
ADITYA BIRLA SUN LIFE MONEY MANAGER FUND - GROWTH-DIRECT PLAN - 434,390.567 Units (31 March 2021 : 167,321.317 Units)	**137.352**	50.014
ADITYA BIRLA SUN LIFE CRISIL AAA JUN 2023 INDEX FUND DIRECT GROWTH-4,981,567.291 Units (31 March 2022 : 4,981,567.291 Units)	**52.463**	50.017
DSP SAVING FUND-DIRECT PLAN-GROWTH- NIL Units (31 March 2022 : 2,285,955.308 Units)	**0.000**	100.040
NIPPON MONEY MARKET FUND-DIRECT GROWTH GROWTH OPTION(LQAGG)-44,762.801 Units (31 March 2022 : 29,853.169 Units)	**158.797**	100.025
HDFC LIQUID FUND-DIRECT PLAN GROWTH OPTION- NIL Units (31 March 2022 : 23,901.235 Units)	**0.000**	100.021
FRANKLIN INDIA SAVING FUND RETAIL OPTION-DIRECT PLAN-GROWTH-2290400.686 Units (31 March 2022 : 1,204,904.208 Units)	**100.225**	49.998
FRANKLIN INDIA SAVING FUND SUPER INISTITUTIONAL PLAN-DIRECT PLAN-GROWTH- 31,266.548 Units (31 March 2022 : 31,266.548 Units)	**105.736**	100.020
KOTAK SAVINGS FUND-DIRECT PLAN-GROWTH- 4,169,052.421 Units (31 March 2022 : 4,169,052.421 Units)	**158.708**	150.212
HDFC ULTRA SHORT TERM FUND-DIRECT GROWTH- 19,853,664.549 Units (31 March 2022: 8,064,633.222 Units)	**260.200**	100.105
NIPPON ULTRA SHORT DURATION FUND-DIRECT GROWTH PLAN(CPAGG)-28,375.532 Units (31 March 2022 : 28,375.532 Units)	**106.188**	100.142
KOTAK SAVING FUND-GROWTH (REGULAR PLAN (ERSTWILY KOTAK TREASURYADV) 1,385,632.493 Units (31 March 2022 : NIL Units)	**50.858**	-
ICICI PRUDENTIAL MONEY MARKET FUND - GROWTH-P1571 - 155,690.493 Units (31 March 2022 : NIL Units)	**49.998**	-
MIRAE ASSETS ULTRA SHORT DURATION FUND DIR-GROWTH- 45576.477 Units (31 March 2022 : NIL Units)	**50.891**	-
HSBC ULTRA SHORT DURATION FUND DIRECT GROWTH UCC- 45,036.922 Units (31 March 2022 : NIL Units)	**52.407**	-
IDFC FLOATING RATE FUND DIRECT PLAN-GROWTH - 11,808,127.440 Units (31 March 2022 : NIL Units)	**154.474**	-
JM SHORT DURATION FUND (REGULAR) GROWTH OPRION (638) - 4,999,750.012 Units (31 March 2022 : NIL Units)	**51.461**	-
INVESCO INDIA ARBITRAGE FUND-DIRECT PLAN - 1,775,195.729 Units (31 March 2022 : NIL Units)	**51.402**	-
NIPPON INDIA ULTRA SHORT DURATION FUND-DIRECT GROWTH PLAN(CPAGG) 13,685.051 Units (31 March 2022 : NIL Units)	**51.213**	-
BARODA BNP PARIBAS ULTRA SHORT DURATION FUND-DIRECT PLAN GROWTH Growth- 38,682.639 Units (31 March 2022 : NIL Units)	**51.212**	-
HSBC ULTRA SHORT DURATION FUND -DIRECT GROWTH- 44,996.263 Units (31 March 2022 : NIL Units)	**52.360**	-
DSP FMP SERIES 269 - 160 DAYS-DIR-GROWTH - 4,999,750.012 Units (31 March 2022 : NIL Units)	**51.018**	-

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

	31 March 2023	31 March 2022
HSBC ULTRA SHORT DURATION FUND-REGULAR GROWTH- 88,125.749 Units (31 March 2022 : NIL Units)	**101.708**	-
NIPPON INDIA FLOATING RATE FUND-GROWTH PLAN OPTION(FRGPG)- 2,667,301.523 Units (31 March 2022 : NIL Units)	**100.837**	-
SBI FLOATING RATE DEBT FUND DIRECT PLAN GROWTH 9,015,706.168 Units (31 March 2022 : NIL Units)	**100.941**	-
HDFC FLOATING RATE DEBT FUND REGULAR PLAN GROWTH 2,421,966.402 Units (31 March 2022 : NIL Units)	**101.122**	-
ADITYA BIRLA SUN LIFE INTERVAL INCOME FUND-QRTLY PLAN-SERIES1 GROWTH-DIR PLAN - 3,448,388.841 Units (31 March 2022 : NIL Units)	**100.753**	-
INVESCO INDIA MONEY MARKET FUND-DIRECT PLAN GROWTH(CO-D1) - 56,471.741 Units (31 March 2022 : NIL Units)	**150.734**	-
NIPPON INDIA QUARTERLY INTERVAL FUND-SERIES-III-DIRECT GROWTH FUND OPTION (9BAGG) -5,471,473.063 Units (31 March 2022 : NIL Units)	**100.538**	-
TATA MONEY MARKET REGULAR PLAN-GROWTH - 12,510,815 Units (31 March 2022 : NIL Units)	**49.998**	-
Total	**4198.606**	3906.273
(iiI) Investments at amortised cost		
Unquoted investments:		
Deposit with Bajaj Finance Limited	**100.000**	72.500
Total Current	**4584.407**	3978.773
Aggregate book value of quoted investments	**5328.941**	4558.452
Aggregate market value of quoted investments	**5546.785**	4558.842
Aggregate book value of unquoted investments	**100.000**	72.513

5 Other financial assets

	31 March 2023	31 March 2022
Non-current		
Unsecured, considered good		
Security deposits	**94.492**	87.355
Deposits with banks with an original maturity of more than 12 months	**28.875**	51.348
	123.367	138.703
Current		
Unsecured, considered good		
Foreign exchange forward contracts	**-**	30.988
Interest accrued on fixed deposits and bonds	**44.882**	41.758
Security deposits	**18.470**	1.758
Other Receivable*	**123.756**	219.506
	187.108	294.010
* mainly includes insurance claim, EMD and turnover discount receivable		
Total other financial assets	**310.475**	432.713

(All amounts are in Indian rupees million unless otherwise stated)

		31 March 2023	31 March 2022
6	**Other assets**		
	Non-current		
	Capital advances	**37.413**	10.902
	Balances with central excise, customs and Value added tax authorities	**10.087**	16.097
	Prepaid expenses	**2.261**	3.563
		49.761	30.562
	Current		
	Contracts in progress (Refer note 27)	**3087.219**	2786.270
	Advances to suppliers	**631.904**	694.958
	Balances with central excise, customs and Value added tax authorities	**270.543**	427.690
	Prepaid expenses	**212.498**	78.269
	Other advances	**59.301**	26.123
		4261.465	4013.310
	Total Other assets	**4311.226**	4043.872

7	**Inventories (valued at lower of cost and net realisable value)**		
	Raw materials	**2466.767**	2858.408
	Work in progress	**844.726**	565.279
	Finished goods	**24.748**	26.614
		3336.241	3450.301

Note: Write-down of inventories to net realizable value amounted to INR 16.632 (31 March 2022: INR 19.071). These were recognized as an expense during the year and included in 'Cost of materials consumed'.

8	**Trade receivables**		
	Current		
	-From related parties		
	Unsecured, considered good	-	-
	- From others		
	Unsecured, considered good	**7948.334**	5117.941
	Unsecured, considered doubtful	**564.666**	454.661
		8513.000	5572.602
	Less: Impairment allowance (allowance for bad and doubtful debts)	**564.666**	454.661
		7948.334	5117.941

i. Refer Note 37 A for ageing schedule

ii. No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member. Trade receivables are non-interest bearing and generally on credit terms of 3 to 6 months

9	**Cash and cash equivalents**		
	Balances with banks		
	On current accounts	**488.904**	460.847
	Deposits with original maturity of less than 3 months	**494.951**	612.195
	Cash on hand	**1.959**	1.521
		985.814	1074.563

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

		31 March 2023	31 March 2022
10	**Other bank balances**		
	Unclaimed dividend account	**11.004**	10.654
	Deposits with maturity for more than 3 months but less than 12 months	**451.377**	465.613
	Note: Includes deposits under lien INR 255.741 (31 March 2022 INR 239.623)		
		462.381	476.267

		31 March 2023		31 March 2022	
11	**Equity share capital**				
	Authorised shares				
	450,000,000 (31 March 2022: 450,000,000) equity shares of INR 2 each		**900.000**		900.000
	Issued, subscribed and fully paid-up shares				
	183,713,088 (31 March 2022: 183,673,088) equity shares of INR 2 each		**367.426**		367.347
	Total		**367.426**		367.347
a.	**Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:**				
		No.	**Amount**	No.	Amount
	At the beginning of the period	**18,36,73,088**	**367.346**	18,32,28,904	366.458
	Add: Allotted during the period pursuant to exercise of employees stock options (Refer note 32)	**40,000**	**0.080**	4,44,184	0.888
	Outstanding at the end of the period	**18,37,13,088**	**367.426**	18,36,73,088	367.346

b. Terms/ Rights attached to equity shares:

The Company has only one class of equity shares having a par value of INR 2 per share. Each holder of the equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Board of Directors proposed a final dividend of INR 4.50 per equity share for the financial year ended 31 March 2023. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held and if approved, will be recognised as distributions to equity shareholders during the year ended 31 March 2024. This event is considered as non-adjusting event.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company after distributing all preferential amounts.

c. Shares held by holding/ultimate holding company and/or their subsidiaries/associates:

The company does not have any holding or ultimate holding company.

d. Details of shareholders holding more than 5% shares in the company:

	31 March 2023		31 March 2022	
Equity shares of INR. 2 each fully paid	**No.**	**% of holding**	No.	% of holding
Dr. Pramod Chaudhari (Promoter)	**3,87,00,000**	**21.07%**	3,87,00,000	21.07%
Parimal Chaudhari (Promoter)	**1,44,00,000**	**7.84%**	1,44,00,000	7.84%

(All amounts are in Indian rupees million unless otherwise stated)

e. Details of shareholders holding of Promoters:

	31 March 2023		31 March 2022	
Equity shares of INR 2 each fully paid	**No.**	**% of holding**	No.	% of holding
Dr. Pramod Chaudhari	**3,87,00,000**	**21.07%**	3,87,00,000	21.07%
Parimal Chaudhari	**1,44,00,000**	**7.84%**	1,44,00,000	7.84%
Moriyaset Trust	**72,00,000**	**3.92%**	72,00,000	3.92%

f. Shares reserved for issue under options:

Shares reserved for issue under the Employee Stock Option Plan (ESOP) please refer note 32.

g. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	31 March 2023	31 March 2022
Number of bonus shares issued, shares issued for consideration other than cash and shares bought back	-	-

	31 March 2023	31 March 2022
12 Other Equity		
Capital Reserve	**0.033**	0.033
Amalgamation Reserve	**3.063**	3.063
Capital Redemption Reserve*	**14.627**	14.627
Securities Premium		
Balance as at the beginning of the year	**1025.997**	982.276
Add : Employee stock options exercised	**3.520**	25.321
Add : Transfer from Share option outstanding account on exercise of options	**10.632**	18.400
Balance at the end of the year	**1040.149**	1025.997
Share option outstanding account**		
Balance as at the beginning of the year	**29.355**	18.624
Add : Employee stock option expense	**7.850**	29.355
Less: Employee stock options expired and transferred to surplus in statement of profit and loss	**-**	0.224
Less : Transfer to Securities Premium on exercise of options	**10.632**	18.400
Balance at the end of the year	**26.573**	29.355
Special Economic Zone Re-investment Reserve***		
Balance as at the beginning of the year	**322.500**	383.900
Add : Transfer from Surplus in the Statement of Profit and Loss	**-**	-
Less : Transfer to Surplus in the Statement of Profit and Loss on completion of required period	**159.500**	61.400
Balance at the end of the year	**163.000**	322.500
General Reserve		
Balance as at the beginning of the year	**958.500**	958.500
Add : Amounts transferred from surplus balance in statement of profit and loss	**-**	-
Balance at the end of the year	**958.500**	958.500

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

	31 March 2023	31 March 2022
Exchange differences on translation of foreign operations		
Balance at the beginning of the year	**15.543**	30.148
Add : due to transactions during the year	**3.612**	(14.605)
Balance at the end of the year	**19.155**	15.543
Debt Instrument through other comprehensive Income		
Balance as at the beginning of the year	**-**	-
Add : Fair value movement	**(3.937)**	-
Balance at the end of the year	**(3.937)**	-
Retained Earnings		
Balance as at the beginning of the year	**6420.220**	5260.604
Profit as per statement of profit and loss	**2397.941**	1502.394
Other comprehensive income	**(16.006)**	(7.832)
Add: Employee stock options expired and transferred from share option outstanding account	**-**	0.224
Add : Transfer from Special Economic Zone Re-investment Reserve on completion of required period	**159.500**	61.400
Less: Appropriations		
Interim/Final equity dividend	**770.260**	396.570
Balance at the end of the year	**8191.395**	6420.220
Total Other Equity	**10412.558**	8789.838

*Capital Redemption Reserve - The reserve is created on account of buy-back of equity shares by the Company in earlier years.

** Share option outstanding account - The reserve is created on account of Employee stock options.

***Special Economic Zone Re-investment Reserve - The reserve is created as per the provisions of Income Tax Act, 1961.

13 Provisions

	31 March 2023	31 March 2022
Provision for Employee Benefits		
Compensated absences	**122.556**	111.405
Gratuity (Refer Note 31)	**9.034**	59.128
	131.590	170.533
Current		
Provision for Employee Benefits		
Compensated absences	**68.733**	62.804
Gratuity (Refer Note 31)	**64.425**	49.338
Provision for anticipated losses	**306.645**	113.536
	439.803	225.678
Total provision	**571.393**	396.211

(All amounts are in Indian rupees million unless otherwise stated)

		31 March 2023	31 March 2022
14	**Trade Payables**		
	Current		
	-To related parties	**-**	-
	-To others		
	Total outstanding dues of micro enterprises and small enterprises (Refer note ii below)	**1166.635**	396.433
	Total outstanding dues of creditors other than micro enterprises and small enterprises (MSMED)	**3883.522**	3851.469
		5050.157	4247.902

Notes:

i. Refer Note 37 B for ageing schedule

ii. Trade payables are non-interest bearing and are normally settled on 30-90 days terms

The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at March 31, 2023. The disclosure pursuant to the said Act is as under:

Particulars		
Total outstanding amount in respect of micro, small and medium enterprises	1166.635	396.433
Principal amount due and remaining unpaid	-	-
Interest due on above and unpaid interest	-	-
Interest paid	-	-
Payment made beyond appointment day	1.651	0.514
Interest due and payable for the period of delay	0.006	0.002
Interest accrued and remaining unpaid	0.006	0.002
(excluding interest accrued for earlier years)		
Amount of further interest remaining due and payable in succeeding years	0.008	0.002

The identification of suppliers as micro, small and medium enterprise as defined under the Micro, Small and Medium Enterprises Development Act 2006, was done on the basis of information to the extent provided by the suppliers of company.

		31 March 2023	31 March 2022
15	**Other financial liabilities**		
	Current		
	Unclaimed dividends	**9.834**	10.648
	Employee benefits payable	**353.459**	284.803
	Foreign exchange forward contracts	**17.429**	-
	Other payables	**7.807**	27.664
		388.529	323.115
16	**Other Liabilities**		
	Current		
	Advances received from customers	**6829.394**	6795.224
	Dues to customers relating to contracts in progress (Refer Note 27)	**1748.912**	910.733
	Statutory dues payable	**62.422**	55.396
		8640.728	7761.353

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

			31 March 2023	31 March 2022
17	**Revenue from operations**			
	Revenue from Products and Projects		**31642.117**	20490.996
	Add: Closing contracts in progress		**1563.558**	1948.408
	Less: Opening contracts in progress		**1948.408**	697.859
		(a)	**31257.267**	21741.545
	Sale of Services		**3523.111**	1249.627
	Add: Closing contracts in progress		**(225.251)**	(72.871)
	Less: Opening contracts in progress		**(72.871)**	(26.903)
		(b)	**3370.731**	1203.659
	Other Operating revenue			
	Scrap Sales		**560.791**	387.969
	Sale of Licenses		**91.589**	99.571
		(c)	**652.380**	487.540
	Total Revenue from operations (a+b+c)		**35280.378**	23432.744
18	**Other Income**			
	Gain on redemption of investments (net) (FVTPL)		**53.819**	57.514
	Fair Valuation Gain/(Loss) on Investment In Mutual Fund (FVTPL)		**141.867**	54.694
	Interest			
	- on fixed deposits		**35.612**	33.946
	- bonds		**47.435**	53.590
	Interest on account of unwinding of security deposits and guarantee income		**3.492**	2.627
	Profit / (loss) on sale of property,plant and equipment (net)		**0.000**	0.397
	Excess provision / creditors written back (including advances)		**70.348**	6.784
	Other non-operating income		**3.435**	31.690
			356.008	241.242

(All amounts are in Indian rupees million unless otherwise stated)

		31 March 2023	31 March 2022
19	**Cost of materials consumed**		
	Raw material consumed	**22291.935**	14910.867
		22291.935	14910.867
20	**(Increase) / Decrease in inventories of Finished Goods, Work in Progress**		
	Inventories at the end of the year		
	Work in progress	**844.726**	565.279
	Finished goods	**24.748**	26.614
		869.474	591.893
	Inventories at the beginning of the year		
	Work in progress	**565.279**	302.705
	Finished goods	**26.614**	15.346
		591.893	318.051
	(Increase) / Decrease in inventories	**(277.581)**	(273.842)
21	**Employee Benefit Expenses**		
	Salaries, wages and bonus	**2326.025**	1968.047
	Contributions to provident and other funds (Refer note 31 a)	**84.355**	72.643
	Gratuity Expense (Refer note 31 b)	**24.250**	21.760
	Employee stock option expense	**7.848**	29.355
	Staff welfare	**133.437**	84.422
		2575.915	2176.227
22	**Finance costs**		
	Interest expense - others	**10.785**	0.021
	Net interest on defined benefit plan	**4.658**	5.767
	Interest on Lease Liability	**30.846**	19.284
		46.289	25.072

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

		31 March 2023	31 March 2022
23	**Other Expenses**		
	Consumption of stores and spares	**370.873**	231.276
	Site expenses and labour charges*	**4026.648**	2366.512
	Freight and transport	**947.029**	522.242
	Bad debts written off (INR 143.383 ; 31 March 2022 INR 582.816) / Provision for doubtful debts and advances	**255.355**	73.655
	Sales commission	**235.525**	144.717
	Travel and conveyance	**316.772**	189.310
	Professional consultancy charges	**411.095**	316.815
	Insurance	**89.597**	66.082
	Rent (Refer note 30)	**47.443**	41.608
	Power and fuel	**116.156**	72.866
	Advertising and exhibition expenses	**47.972**	29.484
	Communication expenses	**25.733**	20.687
	Testing charges	**83.957**	53.530
	Repairs and maintenance:		
	Building	**15.629**	17.970
	Plant and Machinery	**43.292**	31.023
	Others	**32.758**	29.196
	Auditors' remuneration		
	for audit services	**5.238**	5.013
	for tax audit	**1.800**	1.550
	out of pocket expenses	**0.090**	0.142
	Directors' commission	**10.800**	9.000
	Rates and taxes	**5.358**	8.460
	(Profit) / Loss on sale of fixed assets (net)	**3.379**	0.000
	Miscellaneous expenses**	**519.629**	450.495
		7612.128	4681.633
	"*Includes travelling expenses, Job work charges and other site related expenses. **Mainly includes R&D expenses, security expenses, housekeeping expenses & CSR"		

(All amounts are in Indian rupees million unless otherwise stated)

			31 March 2023	31 March 2022
24	**Income tax**			
	A	**Statement of profit and loss:**		
		Current income tax:		
		Current income tax charge	**874.854**	430.748
		Tax relating to earlier periods	**(0.290)**	27.870
		Deferred tax:		
		Relating to origination and reversal of temporary differences	**(85.497)**	87.734
		Income tax expense reported in the statement of profit and loss	**789.067**	546.352
	B	**Statement of other comprehensive income:**		
		Deferred tax:		
		Remeasurements gains and losses on post employment benefits & Other OCI items	**6.690**	2.812
		Income tax expense reported in the statement of other comprehensive income	**6.690**	2.812
	C	**Reconciliation of effective tax rate**		
		Accounting profit before tax	**3187.249**	2048.772
		Tax using the Company's domestic tax rate 25.168% (25.168%)	**802.167**	515.635
		i Adjustments in respect of current income tax of previous years	**(0.290)**	27.870
		Less: Tax effect of:		
		I Income chargeable at lower rate	**12.558**	(5.306)
		ii IND-AS adjustment	**(0.319)**	(6.154)
		iii Deduction claimed for which Deferred Tax Asset was not created	**-**	(1.919)
		iv Loss on closure of Subsidiary claimed as Business Loss	**-**	(24.144)
		v Reversal of Deferred Tax Liability on conditional exemption (net)	**(54.428)**	-
		vi Tax effect of Exchange gain on closure of subsidiary	**-**	(3.259)
		Add: Tax effect of		
		i Deferred Tax Liability on conditional exemption (net)	**-**	8.748
		ii Donations ineligible under Income tax	**8.012**	5.465
		iii Others including rounding off	**21.673**	6.698
		iv Impact on Deferred Tax due to change in Tax Rate	**-**	20.972
		v Deferred Tax expenses accounted as no effect of Timing differences on MAT liability	**0.888**	-
		vi Expenses not allowed for tax purpose (including Exceptional Item)	**0.695**	-
		viI Change in tax rate including subsidiaries	**(1.889)**	1.746
		Total	**789.067**	546.352
		Income tax expense reported in the statement of profit and loss	**789.067**	546.352

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

D Deferred tax

Deferred tax relates to the following: Deferred tax asset / (liability)	Balance sheet		Statement of profit and loss/ other comprehensive income & other equity	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Deferred tax asset				
Provision for doubtful debts and advances	**144.764**	115.814	**(28.950)**	220.558
Gratuity	**18.488**	27.299	**8.811**	10.574
Provision for Project Costs	**77.176**	0.000	**(77.176)**	0.000
Compensated absences	**48.336**	43.844	**(4.492)**	5.272
Percentage of completion on consolidated basis	**25.174**	12.483	**(12.691)**	(3.772)
Others disallowances under income tax	**14.973**	62.200	**47.227**	(43.743)
Lease Liability	**106.076**	43.398	**(62.678)**	7.993
Deposits	**2.355**	0.000	**(2.355)**	-
Total	**437.342**	305.038	**(132.304)**	196.882
Deferred tax liability				
Property, plant & equipment and intangible assets	**(282.698)**	(230.356)	**52.342**	(83.042)
Conditional exemptions calimed under Income tax / others	**(43.174)**	(55.399)	**(12.225)**	(28.918)
Total	**(325.872)**	(285.755)	**40.117**	(111.960)
Net deferred tax asset / (liability)	**111.470**	19.283	**(92.187)**	84.922
Deferred tax expense/(income)			**(92.187)**	84.922
- Recognised in the statement of profit and loss			**(85.497)**	87.734
- Recognised in the statement of other comprehensive income			**(6.690)**	(2.812)
- Recognised in retained earnings			**-**	-

25 Earnings per share

Particulars	31 March 2023	31 March 2022
Reconciliation of basic and diluted shares used in computing earnings per share		
Weighted average number of basic equity shares	**18,36,92,524**	18,35,96,780
Add: effect of dilutive potential equity shares:		
- Employee stock options	**76,207**	80,365
Weighted average number of diluted equity shares	**18,37,68,731**	18,36,77,145
Computation of basic and diluted earnings per share		
Net profit after tax attributable to equity shareholders	**2397.941**	1502.394
Basic earnings per equity share of INR 2 each	**13.05**	8.18
Diluted earnings per equity share of INR 2 each	**13.05**	8.18

(All amounts are in Indian rupees million unless otherwise stated)

26 Capital commitments and contingent liabilities

Particulars	31 March 2023	31 March 2022
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**83.420**	115.454
Other commitments		
Partly paid shares of Praj far east co. ltd., Thailand	**14.218**	13.408
Contingent liabilities		
Claims against Company not acknowledged as debts (primarily relating to performance related claims filed by customers) (net of possibility of reimbursement from insurance company of Rs 41.021)	**21.845**	21.845
Disputed demands in appeal towards:		
- Income Tax	**216.643**	165.566
- Sales Tax	**33.045**	200.668

27 Disclosures pursuant to Ind AS 115 - Revenue from Contracts with Customers

Particulars	31 March 2023	31 March 2022
Contract revenue recognised during the year (excluding taxes)	**31396.793**	20289.489
Aggregate amount of contract costs incurred and recognised profits (less recognised losses)	**45007.719**	35155.570
Customer advances outstanding for contracts in progress	**5215.096**	5597.831
Retention money due from customers for contracts in progress	**1254.639**	1073.688
Gross amount due from customers for contract work (presented as contracts in progress)	**3086.999**	2786.270
Gross amount due to customers for contract work (presented as dues to customers relating to contracts in progress)	**(1748.912)**	(910.733)

I) Revenue by category of contracts:

Particulars	31 March 2023	31 March 2022
Over a period of time basis	**31378.005**	20243.483
At a point-in-time basis	**3902.373**	3189.261
Total revenue from contracts with customers	**35280.378**	23432.744

II) Revenue by geographical market:

Particulars	31 March 2023	31 March 2022
Within India	**29146.076**	18596.286
Outside India	**6134.302**	4836.458
Total revenue from contracts with customers	**35280.378**	23432.744

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

III) Transaction price allocated to the remaining performance obligations

Particulars	31 March 2023	31 March 2022
Remaining performance obligations	24020.896	23264.678

Note: The above information is given in respect of contracts under execution as on period end date

IV) Contract balances

Particulars	31 March 2023	31 March 2022
Trade receivables	**7948.334**	5117.941
Unbilled Revenue (Contract Asset)	**3087.219**	2786.270
Unearned Revenue (Contract Liability)	**1748.912**	910.733
Customer Advances (Contract Liability)	**6829.394**	6795.224

Contract assets primarily relate to the group's rights to consideration for work completed but not billed at the reporting date. The Contract assets are transferred to Trade receivables on completion of milestones and its related invoicing.

The Contract liabilities relate to unearned revenue and customer advances where performance obligations are yet to be fulfilled as per the contracts. The fulfilment of the performance obligations will extingusih these liabilities and revenue will be recognised.

28 Segment reporting

The business activities of the group from which it earns revenues and incurs expenses; whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available involve predominantly one operating segment i.e. process and project engineering.

29 Related party transactions

a) Key management personnel and their close members of family	
Executive Chairman	Dr. Pramod Chaudhari
CEO & Managing Director	Shishir Joshipura
Chief Financial Officer & Director - Resources	Sachin Raole
Chief Internal Auditor & Company Secretary	Dattatraya Nimbolkar
Non-Executive Directors	Berjis Desai
	Parimal Chaudhari
	Sivaramakrishnan S. Iyer
	Mrunalini Joshi
	Dr. Shridhar Shukla
	Suhas Baxi
Close members of family of key management personnel	Parimal Chaudhari (Director)
	Parth Chaudhari

(All amounts are in Indian rupees million unless otherwise stated)

b) Other related parties with whom transactions have been taken place uring the year

Praj Foundation

Plutus Properties LLP

c) Transactions and balances with related parties have been set out below:

Particulars	31 March 2023	31 March 2022
Praj Foundation		
Donation paid	**20.893**	18.635
Plutus Properties LLP		
Rent	**3.968**	3.778
Dr. Pramod Chaudhari		
Short term employee benefits	**92.919**	76.209
Post employment benefits	**12.744**	12.275
Other long term employee benefits	**1.500**	2.250
Dividend	**162.540**	83.592
Payable	**34.542**	16.205
Shishir Joshipura		
Short term employee benefits	**52.076**	42.310
Post employment benefits	**6.980**	4.185
Other long term employee benefit	**1.302**	0.932
Share based payment	**-**	15.726
Dividend	**0.420**	0.216
Payable	**21.181**	11.122
Sachin Raole		
Short term employee benefits	**23.562**	18.936
Post employment benefits	**2.646**	1.263
Other long term employee benefit	**0.919**	0.521
Share based payment	**-**	5.242
Dividend	**0.609**	0.313
Payable	**11.563**	7.485
Dattatraya Nimbolkar		
Short term employee benefits	**9.781**	9.031
Post employment benefits	**0.508**	0.469
Other long term employee benefit	**0.192**	0.198
Dividend	**0.004**	0.002
Payable	**2.808**	2.584
Parimal Chaudhari		
Commission on profit	**2.400**	2.000
Dividend	**90.720**	46.656
Payable	**2.400**	2.000

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

30 Leases

The Group classifies the lease transactions as per the requirements of IND-AS 116 "Leases"

Nature of Leasing activity:

The Group has entered into lease arrangements for office and factory premises, residential premises for its employees, office equipments and computers.

Particulars	31 March 2023	31 March 2022
Depreciation for right-of-use asset	**116.191**	51.391
Interese expense on lease liabilities	**30.846**	19.284
Expenses relating to short-term / low value leases	**48.120**	41.608
	202.732	114.528
Carrying amount of right-of-use asset	**380.544**	162.271
Maturity analysis of lease liabilities:		
- less than 1 year	**158.757**	57.963
- between 1 to 3 years	**237.186**	148.438
- more than 3 years	**25.506**	4.474

Changes in lease liabilities arising from financing activities

Particulars	31 March 2023	31 March 2022
Opening lease liability	**210.876**	176.591
Net addition / (deletion) during the year	**335.443**	87.921
Finance cost	**30.846**	19.284
Lease payments	**(155.716)**	(72.920)
Closing lease liability	**421.449**	210.876
Non-Current	**262.692**	147.550
Current	**158.757**	63.326

31 Employee benefits

a) Defined contribution plans

The Group has recognised INR 84.355 (31 March 2022: INR 72.643) towards post-employment defined contribution plans comprising of provident, Employee State Insurance Scheme, National Pension Scheme and superannuation fund in the statement of profit and loss.

b) Defined benefit plan

In accordance with the Payment of Gratuity Act, 1972, the Company is required to provide post-employment benefit to its employees in the form of gratuity. The Indian Companies has maintained a fund with the Life Insurance Corporation of India to meet its gratuity obligations. In accordance with the Standard, the disclosures relating to the Company's gratuity plan are provided below:

(All amounts are in Indian rupees million unless otherwise stated)

The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	31 March 2023	31 March 2022
Present value of obligation as at the beginning of the period	**321.766**	280.540
Interest cost	**21.548**	17.444
Past service cost	**-**	-
Current service cost	**24.250**	21.664
Benefits paid	**(29.527)**	(10.223)
Remeasurements on obligation - (gain) / loss	**21.796**	12.340
Present value of obligation as at the end of the period	**359.833**	321.765

The changes in the fair value of planned assets representing reconciliation of opening and closing balances thereof are as follows:

Particulars	31 March 2023	31 March 2022
Fair value of plan assets at the beginning of the period	**213.300**	170.400
Interest income	**16.893**	11.677
Contributions	**56.848**	30.839
Benefits paid	**(0.968)**	(1.217)
Mortality Charges and Taxes	**(0.113)**	(0.115)
Return on plan assets, excluding amount recognized in interest income - gain / (loss)	**0.422**	1.696
Adjustment entry	**(0.007)**	-
Fair value of plan assets as at the end of the period	**286.375**	213.280

Amounts recognised in the balance sheet are as follows:

Particulars	31 March 2023	31 March 2022
Present value of obligation as at the end of the period	**359.834**	321.765
Fair value of plan assets as at the end of the period	**286.375**	213.280
Surplus / (deficit)	**(73.459)**	(108.485)

Amounts recognised in the statement of profit and loss are as follows:

Particulars	31 March 2023	31 March 2022
Current service cost	**24.250**	21.760
Net interest (income) / expense	**4.658**	5.767
Net periodic benefit cost recognised in the statement of profit and loss at the end of the period	**28.908**	27.527

Amounts recognised in the statement of other comprehensive income (OCI) are as follows:

Particulars	31 March 2023	31 March 2022
Remeasurement for the year - obligation (gain) / loss	**21.796**	12.340
Remeasurement for the year - plan assets (gain) / loss	**(0.422)**	(1.696)
Total remeasurements cost / (credit) for the year	**21.374**	10.644

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

Net interest (income) / expense recognised in statement of profit and loss are as follows:

Particulars	31 March 2023	31 March 2022
Interest (income) / expense - obligation	**21.550**	17.444
Interest (income) / expense - plan assets	**(16.892)**	(11.677)
Net interest (income) / expense for the year	**4.658**	5.767

The broad categories of plan assets as a percentage of total plan assets are as follows:

Particulars	31 March 2023	31 March 2022
Funds managed by insurer	**100%**	100%
Total	**100%**	100%

Principal actuarial assumptions used in determining gratuity benefit obligations for the Company's plans are as follows:

Particulars	31 March 2023	31 March 2022
Discount rate	**7.40%-7.50%**	7.00%-7.30%
Rate of increase in compensation levels	**5.00%-9.00%**	5.00%-8.00%
Expected rate of return on plan assets	**7.00%-7.30%**	6.30%-6.90%
Expected average remaining working lives of employees (in years)	**9.67-13.91**	9.58-14.55
Withdrawal rate		
Age upto 30 years	**2% - 7%**	2% - 7%
Age 31 - 40 years	**2% - 7%**	2% - 7%
Age 41 - 50 years	**2% - 7%**	2% - 7%
Age above 50 years	**2% - 7%**	2% - 7%

A quantitative sensitivity analysis for significant assumptions is shown as follows:

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the present value of obligation. Sensitivity analysis is done by varying (increasing/ decreasing) one parameter by 100 basis points (1%)

a) Impact of change in discount rate when base assumption is decreased / increased by 100 basis point

Discount rate	**Present value of obligation**	
	31 March 2023	31 March 2022
Decrease by 1%	**377.145**	337.343
Increase by 1%	**344.553**	308.048

b) Impact of change in salary increase rate when base assumption is decreased / increased by 100 basis point

Salary increment rate	**Present value of obligation**	
	31 March 2023	31 March 2022
Decrease by 1%	**346.570**	309.743
Increase by 1%	**374.390**	335.067

c) Impact of change in withdrawal rate when base assumption is decreased / increased by 100 basis point

Withdrawal rate	**Present value of obligation**	
	31 March 2023	31 March 2022
Decrease by 1%	**360.609**	322.045
Increase by 1%	**359.130**	321.512

(All amounts are in Indian rupees million unless otherwise stated)

Risk Exposure and Asset Liability Matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

1) Liability Risks

a. Asset-Liability Mismatch Risk-

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

b. Discount Rate Risk-

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

c. Future Salary Escalation and Inflation Risk-

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) Asset Risks

All plan assets are maintained in a trust fund managed by a public sector insurer viz; LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years.

The company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

32 Employee Stock Option Plan (ESOP)

IIn the Annual General Meeting of the Company held on 22 July 2011, total of 9,238,936 stock options were approved under the scheme "Employee Stock Option Plan 2011". In the Meeting of the Compensation and Share Allotment Committee held on 27 January 2015 it was decided to grant options to CEO & MD and senior executives of the Company at the relevant market price as ESOP 2011 – Grant I. The total options granted under ESOP 2011 - Grant I are 3,750,000 options out of which 250,000 options (Plan A) were granted to CEO & MD and 3,500,000 options (Plan B) were granted to senior executives of the Company.

During the year 2015-16 390,000 options were granted to senior executives of the Company as ESOP 2011 – Grant II to V. During the year 2016-17 100,000 options were granted to senior executive of the Company as ESOP 2011 – Grant VI. During the year 2017-18 1,969,700 options were granted to certain employees of the Company as ESOP 2011 – Grant VII. During the year 2018-19 1,625,000 options were granted to certain employees of the Company as ESOP 2011- Grant VIII to X. During the year 2021-22 140,000 options were granted to CEO& MD and certain senior executives of the Company as ESOP 2011- Grant XI.

The stock options vest in a graded manner equally over the period of vesting, each vesting taking effect as per the terms of the grant.

Amount of employee compensation expense recognised for employee services received during the year:

Particulars	31 March 2023	31 March 2022
Expense arising from equity-settled share-based payment transactions	**7.848**	29.355

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

Movements during the year
ESOP 2011 Grant I to XI

Particulars	31 March 2023		31 March 2022	
	Options	**Weighted average exercise price INR**	Options	Weighted average exercise price INR
Number of options outstanding at the beginning of the year	**1,40,000**		4,53,464	58.82
Number of options granted during the year	-		1,40,000	90.00
Number of options exercised during the year	**(40,000)**		(4,44,184)	59.01
Number of options forfeited/lapsed during the year	-		(9,280)	50.00
Number of options outstanding at the end of the year	**1,00,000**		1,40,000	90.00
Number of options exercisable at the end of the year			-	N.A.
Range of exercise price of options outstanding at the end of the year	**INR 90.00**		INR 90.00	
Average share price during the year	**INR 376.91**		INR 336.86	
Weighted average remaining contractual life of options outstanding at the end of the year	**0.75 years**		0.75 years	
Weighted average fair value of option as on date of grant (granted during the year)	**17-Jun-21**	**265.74**	17-Jun-21	265.74

Method used for calculating fair value of option – Black Scholes Option Valuation Model

Significant assumptions used in arriving at the fair value of options under Black Scholes model are stated as follows:

Movements during the year	FY 2022-23
Grant date	**17 Jun 2021**
Risk-free interest rate	**4.20%**
Expected life	**1.0 year**
Expected volatility*	**61.25%**
Expected dividend yield	**2.11%**
Price of the underlying share in market at the time of grant of option (INR)	**359.15**

* Expected volatility has been determined based on closing price of the share of the Company over a period equivalent to expected life.

33 Expenditure on research & development activities

Revenue expenditure on research and development is charged under respective heads of account in the year in which it is incurred. Capital expenditure on research and development is included as part of property, plant and equipment and depreciated on the same basis as other property, plant and equipment.

Particulars	31 March 2023	31 March 2022
Capital expenditure (Including capital work-in-progress and excluding advances)	**43.142**	38.861
Revenue expenditure	**356.115**	231.984

(All amounts are in Indian rupees million unless otherwise stated)

34 Corporate Social Responsibility (CSR) expenditure

The Indian companies was required to spend INR 25.043 as expenditure on CSR as per requirements of the Companies Act, 2013. During the year, the Companies has incurred CSR expenses of INR 33.262 included in Miscellaneous expenses (Refer Note 23) as follows:

Amount spent on	Amounts paid
Construction/acquisition of asset	Nil
On other purposes covered under Schedule VII to Companies Act, 2013	33.262*

* Includes INR 22.822 given to Praj Foundation which is a related party.

The above expenditure includes contribution/donation of INR 10.440 to trusts / institute which are engaged in activities eligible under section 135 of Companies Act, 2013 read with Schedule VII thereto.

Particulars	31 March 2023	31 March 2022
a) Amount required to be spent by the companies during the year	25.043	19.301
b) Amount of expenditure incurred	33.262	22.381
c) Shortfall at the end of the year	-	-
d) Total of previous years shortfall	-	-

35 Fair value measurements

This note explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised & measured at i. fair value ii. measured at amortised cost and for which fair values are considered to be same as the amortised costs disclosed in the financial statements. They are further classified them into Level 1 to Level 3 as required by the accounting standard and described in the significant accounting policies of the Group. Further, the note describes valuation techniques used, key inputs to valuations and quantitative information about significant unobservable inputs for fair value measurements.

As per assessments made by the management, fair values of all financial instruments carried at amortised cost (except investment in quoted non-convertible bonds) are not materially different from their carrying amounts since they are either short term nature or the interest rates applicable are equal to the current market rate of interest.

The Group has performed a fair valuation of its investment in mutual funds which are classified as FVTPL and bonds which are classified as FVOCI using quoted prices and fair valuations of foreign exchange forward contracts as per mark to market valuation from bank.

Sr. No	Particulars	Carrying value	
		31 March 2023	31 March 2022
	Financial asset		
A	**Levelled at level 1**		
	Carried at fair value through profit and loss (FVTPL)		
i)	Investments in mutual funds	**4198.606**	3906.273
	Carried at fair value through other comprehensive income (FVOCI)		
ii)	Investment in quoted non-convertible bonds	**494.450**	-
B	**Levelled at level 2**		
i)	Carried at fair value through profit and loss (FVTPL)		
	Foreign exchange forward contracts	**-**	30.988
	(The fair value is as per the mark-to-market valuation from banks)		

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

Sr. No	Particulars	Carrying value	
		31 March 2023	31 March 2022
C)	**Carried at amortised cost**		
	Investment in quoted non-convertible bonds*	**635.885**	652.179
	Investment in deposits	**100.000**	72.500
	Security deposits	**112.962**	89.113
	Trade receivable	**7948.334**	5117.941
	Deposits with banks with an original maturity of more than 12 months	**28.875**	51.348
	Other receivables	**187.108**	263.022
	Cash and cash equivalents and other bank balances	1448.195	1550.830
	Financial liabilities		
A	**Levelled at level 2**		
i)	**Carried at fair value through profit and loss (FVTPL)**		
	Foreign exchange forward contracts	**17.429**	-
	(The fair value is as per the mark-to-market valuation from banks)		
B)	**Carried at amortised cost**		
	Trade payables	**5050.157**	4247.902
	Lease Liability	**421.449**	210.876
	Other payables	**361.266**	312.467
*	Fair value of investment in quoted non-convertible bonds at amortised cost	**853.728**	652.569

36 Financial risk management policy and objectives

'The Group's principal financial liabilities, comprise lease liabilities & trade and other payables. The main purpose of these financial liabilities is to finance company's operations and to provide guarantees to support its operations. The Group's principal financial assets include trade and other receivables, security deposits and cash and cash equivalents, that derive directly from its operations.

In order to minimise any adverse effects on the financial performance of the company, it has taken various measures. This note explains the source of risk which the entity is exposed to and how the entity manages the risk and impact of the same in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Aging analysis, external credit rating (wherever available)	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk- Foreign Currency Risk	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Sensitivity Analysis	Management follows established risk management policies, including use of derivatives like foreign exchange forward contracts, where the economic conditions match the company's policy.

(All amounts are in Indian rupees million unless otherwise stated)

The Group's risk management is carried out by management, under policies approved by the board of directors. Group's treasury identifies, evaluates and hedges financial risks in close cooperation with the company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk, and investment of excess liquidity.

(A) Credit risk

Credit risk in case of the Group arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

Credit risk management

"Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assesses the reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The group considers the probability of default upon intial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward looking information such as:

(i) Actual or expected significant adverse changes in business,

(ii) Actual or expected significant changes in the operating results of the counterparty,

(iii) Financial or economic conditions that are expected to cause a significant change to counterparty's ability to meet its obligations,

(iv) Significant increases in credit risk on other financial instruments of the same counterparty,

(v) Significant changes in the value of collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

The Group provides for expected credit loss in case of trade receivables, claims receivable and security deposits when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the company. The group categorises a receivable for provision for doubtful debts/write off when a debtor fails to make contractual payments greater than 180 days past due. The amount of provision depends on certain parameters set by the Company in its provisioning policy Where loans or receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Provision for expected credit loss

Financial assets for which loss allowance is measured using 180 days Expected Credit Losses (ECL)

Exposure to risk	31 March 2023	31 March 2022
Trade receivables	**8513.000**	5572.602
Less : expected loss	**564.666**	454.661
	7948.334	5117.941

	31 March 2023	31 March 2022
Trade receivables		
Neither past due nor impaired	**3221.197**	1780.254
Less than 180 days	**3614.708**	2405.035
181 - 365 days	**568.469**	494.923
More than 365 days	**543.960**	437.729
Total	**7948.334**	5117.941

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

Reconciliation of loss provision

	Trade receivables	Trade receivables
Loss allowance as at 31 March 2022	**454.661**	**963.185**
Changes in loss allowance	**110.005**	**(508.524)**
Loss allowance as at 31 March 2023	**564.666**	**454.661**

Note : write back of provision is mainly on account of bad debts written off

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, group maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is carried out in accordance with practice and limits set by the group. In addition, the group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Exposure to risk	31 March 2023	31 March 2022
Interest bearing borrowings		
On demand	**-**	-
Less than 180 days	**-**	-
181 - 365 days	**-**	-
More than 365 days	**-**	-
Total	**-**	-
Other financial liabilities		
On demand	**9.834**	10.648
Less than 180 days	**378.695**	312.469
181 - 365 days	**165.162**	58.333
More than 365 days	**262.679**	158.934
Total	**816.370**	540.384
Trade payables		
Not Due	**4513.366**	2205.399
Less than 365 days	**536.791**	2042.503
More than 365 days	**-**	-
Total	**5050.157**	4247.902

The group has access to following undrawn facilities at the end of the reporting period.

	31 March 2023	31 March 2022
Expiring within one year	**410.000**	410.000
Expiring beyond one year		

(All amounts are in Indian rupees million unless otherwise stated)

(C) Foreign currency risk

The group is exposed to foreign exchange risk mainly through its sales to overseas customers and purchases from overseas suppliers in various foreign currencies.

The group evaluates exchange rate exposure arising from foreign currency transactions and the company follows established risk management policies, including use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk, where the economic conditions match the company's policy.

Foreign currency exposure :

Financial assets	Currency	Amount in foreign currency		Amount in INR	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
Trade receivables	EUR	**6.003**	0.417	**529.439**	34.838
	USD	**12.416**	8.757	**1012.822**	658.585
	GBP	**0.180**	0.180	**18.107**	17.682
Bank accounts	EUR	**0.000**	2.256	**0.000**	188.599
	USD	**0.293**	2.644	**23.904**	198.679
Foreign exchange forward contracts	EUR	**4.000**	10.283	**361.800**	860.235
	USD	**3.100**	13.535	**256.370**	1017.949

Financial liabilities	Currency	Amount in foreign currency		Amount in INR	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
Trade payables	EUR	**0.402**	0.888	**36.354**	75.774
	USD	**1.418**	1.438	**117.401**	109.599
	GBP	**0.000**	(0.006)	**0.018**	(0.590)
	SEK	**0.632**	29.634	**5.005**	241.046

Currency wise net exposure (assets -liabilities)

Particulars	Amount in foreign currency		Amount in INR	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
EUR	**9.601**	12.068	**854.885**	1007.898
USD	**14.391**	23.498	**1175.038**	1765.271
GBP	**0.180**	0.186	**18.089**	18.272
SEK	**(0.632)**	(29.634)	**(5.005)**	(241.046)

Sensitivity analysis

Currency	Amount in INR		Sensitivity %	Impact on profit-strengthen [Loss/(Gain)]		Impact on profit -weakening [Loss/(Gain)]	
	2023	2022		2023	2022	2023	2022
EUR	**854.885**	1007.898	5.00%	**(42.744)**	(50.395)	**42.744**	50.395
USD	**1175.038**	1765.271	5.00%	**(58.752)**	(88.264)	**58.752**	88.264
GBP	**18.089**	18.272	5.00%	**(0.904)**	(0.914)	**0.904**	0.914
SEK	**(5.005)**	(241.046)	5.00%	**0.250**	12.052	**(0.250)**	(12.052)
Total	**2043.007**	2550.395		**(102.150)**	(127.521)	**102.150**	127.521

(GBP - Great Britain Pound, EUR- Euro, USD - US Dollar, SEK- Swedish Krona)

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

37 Ageing schedule for Trade Receivables, Trade Payables and Capital Work-in-progress

(A) The table below provides details regarding ageing of Trade receivables

Particulars	31 March 2023						
	Unbilled dues/Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months -1 Year	1-2 Years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	3221.197	3614.708	568.469	335.845	154.566	9.030	7903.815
(ii) Undisputed Trade Receivables – credit impaired	4.518	0.000	58.011	97.651	108.459	248.083	516.722
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	44.521	44.521
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	47.942	47.942
Less: Impairment Allowance	(4.518)	0.000	(58.011)	(97.651)	(108.459)	(296.027)	(564.666)
Total	**3221.197**	**3614.708**	**568.469**	**335.845**	**154.566**	**53.549**	**7948.334**

Particulars	31 March 2022						
	Unbilled dues/Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months -1 Year	1-2 Years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	1780.254	2405.035	494.923	342.830	23.633	26.745	5073.420
(ii) Undisputed Trade Receivables – credit impaired	30.827	4.157	25.768	68.539	45.618	231.810	406.719
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	44.521	44.521
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	47.942	47.942
Less: Impairment Allowance	(30.827)	(4.157)	(25.768)	(68.539)	(45.618)	(279.752)	(454.661)
Total	**1780.254**	**2405.035**	**494.923**	**342.830**	**23.633**	**71.266**	**5117.941**

(All amounts are in Indian rupees million unless otherwise stated)

(B) The table below provides details regarding ageing of Trade payables

Particulars	31 March 2023					
	Unbilled dues/Not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
(i) MSME	1151.906	14.218	0.511	0.000	0.000	1166.635
(ii) Other	3361.460	467.639	38.181	5.536	10.706	3883.522
Total	**4513.366**	**481.857**	**38.692**	**5.536**	**10.706**	**5050.157**

Particulars	31 March 2022					
	Unbilled dues/Not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
(i) MSME	382.366	14.066	0.000	0.000	0.000	396.432
(ii) Other	1823.033	1782.746	234.282	0.587	10.822	3851.470
Total	**2205.399**	**1796.812**	**234.282**	**0.587**	**10.822**	**4247.902**

There are no disputed dues payable as at 31 March 2023 (31 March 2022: Nil)

(C) The table below provides details regarding ageing of Capital Work-in-progress (CWIP) and Intangibles under Development

Particulars	31 March 2023				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Capital Work-in-progress	50.558	18.166	-	-	68.724
Intangibles under Development	0.763	-	-	-	0.763

Particulars	31 March 2022				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Capital Work-in-progress	14.261	-	-	-	14.261
Intangibles under Development	-	6.656	-	-	6.656

Projects whose completion is overdue or has exceeded its cost compared to its original plan the year ended 31 March 2023 INR: NIL (31 March 2022 INR: NIL)

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

38 Financial Ratios

Sr. No.	Ratio	Numerator	Denominator	31-Mar-23	31-Mar-22	% Variance	Reason for Variance
1	Current ratio	Current assets	Current liabilities	1.45	1.46	-0.68%	No major variance
2	Debt-equity ratio	Debt	Net worth	NA	NA	-	NA
3	Debt service coverage ratio	Profit after tax + finance cost and depreciation	Interest & Lease Payments	17.64	24.05	-26.65%	Decrease in ratio is mainly on account of increase in number of leases entered during the year compared to increase in profit.
4	Return on equity ratio	Profit after tax	Average Shareholder's Equity	24.06%	17.49%	37.56%	substantial increase in project execution.
5	Inventory turnover ratio	Cost of materials consumed + Changes in inventories + Consumption of stores and spares	Average Inventory	6.60	6.23	5.94%	No major variance
6	Trade receivables turnover ratio	sales (billed to customer)	Average Accounts Receivable	5.48	4.61	18.87%	No major variance
7	Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	4.71	4.36	8.03%	No major variance
8	Net capital turnover ratio	sales	Average Workin capital	5.61	4.48	25.22%	Improved ratio is on account of higher revenue from operations compared to increase in average working capital employed
9	Net profit ratio	Profit After Tax	sales	6.80%	6.41%	6.08%	No major variance
10	Return on capital employed	Earning Before Interest & Tax	Capital Employed	30.31%	22.69%	33.58%	substantial increase project execution
11	Return on investment	Income from Investments	Investment				
	i. Mutual Funds			5.28%	4.58%	15.28%	No major variance
	ii. Bonds			7.04%	8.40%	-16.19%	
	iii. Fixed Deposits			2.10%-3.62%	2.50%-3.19%	13.48%	

(All amounts are in Indian rupees million unless otherwise stated)

39 Other Notes

i Details of Benami Property

The Indian companies in group does not own any benami property neither any proceedings are initiated or pending against the Group under the Prohibition of Benami Property Transactions Act, 1988.

ii Borrowings secured against current assets

Though the Indian companies in group does not have any fund based borrowings from banks or financial institutions on the basis of security of current assets, it has filed quarterly returns or statements of current assets with banks or financial institutions and the same are in agreement with the books of account.

iii Wilful Defaulter

The Indian companies in group has not been declared as wilful defaulter by any bank or financial institution or other lender.

iv Relationship with Struck off Companies

The Indian companies in group has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956

v Registration of charges with ROC

There are three charges totalling to INR 781.550 million created in favour of banks which are pending for satisfaction. There are no outstanding dues to these banks and satisfaction of these charges is pending due to technical issues which are being sorted out by the Indian companies in group.

vi Utilisation of Borrowed funds and share premium

The Group does not have any borrowings. The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) nor has it received any fund from any person(s) or entity(ies), including foreign entities (Funding Party).

40 Capital management

Risk management

The group objectives when managing capital are to

- safeguard it's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents) divided by total equity and net debt (as shown in the balance sheet, including non-controlling interests).

The company's strategy is to maintain a gearing ratio 0%. The gearing ratios were as follows:

	31 March 2023	31 March 2022
Loans and borrowings		-
Other financial liability		-
Less: cash and cash equivalents	**985.814**	1074.563
Net debt	**-**	-
Equity	**10780.672**	9157.633
Capital and net debt	**10780.672**	9157.633
Gearing ratio	**0%**	0%

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

41 Additional information, as required under schedule III to the companies Act, 2013, of enterprises consolidated as subsidiary / Associates / Joint Ventures for the year ended 31st March 2023

Name of the Enterprise	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
1	2	3	4	5	6	7	8	9
Parent								
Praj Industries Limited	98.90%	10661.853	99.09%	2376.082	121.80%	(19.891)	98.92%	2356.191
Subsidiaries								
Indian								
1 Praj HiPurity Systems Limited, India.	7.93%	854.594	7.07%	169.611	0.32%	(0.053)	7.12%	169.558
2 Praj Engineering and infra Limited,India	1.82%	196.664	2.87%	68.764	-0.01%	0.001	2.89%	68.765
Foreign								
1 Praj Far East Philippinnes Ltd., Philippinnes	0.26%	28.120	0.28%	6.684	-9.64%	1.575	0.35%	8.259
2 Praj Americas Inc. USA	0.15%	16.687	0.09%	2.140	-7.31%	1.193	0.14%	3.333
3 Praj Far East Co., Ltd. Thailand	0.35%	37.695	0.47%	11.370	-12.95%	2.115	0.57%	13.485
Minority Interests in all subsidiaries	0.01%	0.688	0.01%	0.241	-	-	0.01%	0.241
Inter Company Eliminations/ Goodwill Amortisation	-9.42%	(1015.629)	-9.88%	(236.951)	7.8%	(1.271)	-9.99%	(237.981)
Total	100.00%	10780.672	100.00%	2397.941	100.0%	(16.331)	100.00%	2381.851

(All amounts are in Indian rupees million unless otherwise stated)

Additional information, as required under schedule III to the companies Act, 2013, of enterprises consolidated as subsidiary / Associates / Joint Ventures for the year ended 31st March 2022

Name of the Enterprise	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
1	2	3	4	5	6	7	8	9
Parent								
Praj Industries Limited	98.91%	9064.474	109.42%	1643.905	37.26%	(8.360)	110.51%	1635.544
Subsidiaries								
Indian								
1 Praj HiPurity Systems Limited, India.	9.66%	885.036	9.44%	141.778	-2.35%	0.528	9.62%	142.307
2 Praj Engineering and infra Limited,India	1.40%	127.898	0.50%	7.511	-	-	0.51%	7.485
Foreign								
1 Praj Far East Philippinnes Ltd., Philippinnes	0.22%	19.862	-0.21%	(3.134)	6.68%	(1.499)	-0.31%	(4.631)
2 Praj Industries (Africa) Pty. Limited, South Africa	-	-	-	-	57.72%	(12.950)	-0.88%	(12.950)
3 Praj Americas Inc. USA	0.15%	13.355	0.54%	8.160	-1.49%	0.334	0.57%	8.494
4 Praj Far East Co., Ltd. Thailand	0.26%	24.206	0.20%	3.049	2.18%	(0.490)	0.17%	2.556
Minority Interests in all subsidiaries	0.07%	6.841	0.00%	0.026	-	-	0.00%	0.026
Inter Company Eliminations/ Goodwill Amortisation	-10.67%	(977.646)	-19.89%	(298.875)	-	-	-20.19%	(298.847)
Total	100.00%	9164.026	100.00%	1502.420	100.00%	(22.437)	100.00%	1479.984

42 Partly-owned subsidiary

Financial information of subsidiary that have non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interest:

Name	Country of operation	31 March 2023	31 March 2022
Praj Engineering and Infra Limited	India	**0.35%**	0.35%

Information regarding non-controlling interest

The summarised financial information of the subsidiary is provided below. This information is based on amounts before inter-company eliminations.

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in Indian rupees million unless otherwise stated)

Summarised statement of profit and loss

Particulars	31 March 2023	31 March 2022
Total Income	**1347.821**	750.540
Employee benefits expense	**19.602**	17.262
Finance costs	**0.015**	0.005
Depreciation	**0.267**	0.637
Other expenses	**1236.154**	720.671
Profit before tax	**2603.859**	1489.115
Total tax expense	**23.019**	4.454
Profit for the year:	**2580.840**	1484.661
Total comprehensive income	**68.765**	7.511
Attributable to non-controlling interests	**0.241**	0.026

Summarised balance sheet

Particulars	31 March 2023	31 March 2022
Non current assets	**28.467**	35.754
Current assets	**1021.657**	672.932
Total Assets	**1050.124**	708.686
Non current liabilities	**0.914**	0.760
Current liabilities	**852.546**	580.027
Total Liabilities	**853.460**	580.787
Total Equity	**196.664**	127.899
Attributable to:		
Equity holders of parent	**195.976**	127.451
Non-controlling interest	**0.688**	0.448

(All amounts are in Indian rupees million unless otherwise stated)

Summarised cash flow

Particulars	31 March 2023	31 March 2022
Net cash flows from operating activities	**111.443**	69.340
Net cash flows from investing activities	**(165.534)**	(24.269)
Net cash flows from financing activities	**0.000**	0.000
Net increase/(decrease) in cash and cash equivalents	**(54.091)**	45.071

43 Prior year comparatives are regrouped / reclassified wherever necessary to conform to current period's presentation.

As per our report of even date.

For and on behalf of the Board of Directors of Praj Industries Limited

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Regn. No: 101118W/W100682

Dr. Pramod Chaudhari
Executive Chairman
(DIN : 00196415)

Shishir Joshipura
CEO and Managing Director
(DIN : 00574970)

Sachin Raole
CFO and Director - Resources
(DIN : 00431438)

Abhijeet Bhagwat
Partner
Membership No.: 136835

Dattatraya Nimbolkar
Chief Internal Auditor and
Company Secretary (M.No.: ACS4660)

Place: Pune
Date: 25 May 2023

Praj Industries Limited

"Praj Tower", S.No. 274 & 275/2, Bhumkar Chowk- Hinjewadi Road, Hinjewadi, Pune – 411 057.
CIN: L27101PN1985PLC038031
e-mail : investorsfeedback@praj.net; website : www.praj.net

Notice

Notice is hereby given that the Thirty Seventh Annual General Meeting of **PRAJ INDUSTRIES LIMITED** will be held on **Wednesday, the 26th July, 2023 through video conferencing ("VC") / Other Audio Video Visual Means ("OAVM") at Pune at 10.00 a.m.** to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2023 together with the reports of Board of Directors and the Auditors thereon.
2. To receive, consider and adopt the audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2023 together with the report of the Auditors thereon.
3. To declare dividend on Equity Shares.
4. To appoint a Director in place of Ms. Parimal Chaudhari (DIN: 00724911) who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

5. **To ratify the remuneration of Dhananjay V. Joshi & Associates, Cost Accountants, Pune as Cost Auditors for the financial year ending 31st March, 2024 and in this regard to consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force),the Company hereby ratifies the remuneration of Rs. 3,25,000/- (Rs. Three lakhs Twenty Five Thousand only) as Audit fees plus out of pocket expenses at actual on submission of supporting bills, plus applicable taxes, payable to Dhananjay V. Joshi & Associates, Cost Accountants, Pune who have been appointed by the Board of Directors as Cost Auditors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2024."

6. **To consider and approve re-appointment of Mr. Shishir Joshipura (DIN: 00574970) as Chief Executive Officer (CEO) and Managing Director of the Company and in this regard to consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:-**

   "**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with Schedule V to the Act or any statutory modification(s) or re-enactment thereof, consent of the Company be and is hereby accorded to the appointment of Mr. Shishir Joshipura (DIN: 00574970) as Chief Executive Officer and Managing Director of the Company, for a period of 27 months with effect from 1st April, 2023 till 30th June, 2025, as recommended by Nomination and Remuneration Committee and approved by the Board of Directors, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment), with authority and liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions and/ or remuneration, subject to the same not exceeding the limits specified under Schedule V to the Act or any statutory modification(s) or re-enactment thereof.

   RESOLVED FURTHER THAT in the event of any enhancement of the limits specified in Schedule V to the Act, the Board of Directors be and is hereby authorized to vary and / or upwardly revise the remuneration within such enhanced limits.

   RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

7. **To consider and approve re-appointment of Dr Shridhar Shukla (DIN: 00007607) as an Independent Director of the Company and in this regard to consider and if thought fit, to pass the following resolution as an Special Resolution:-**

"**RESOLVED THAT** in accordance with the provisions of Sections 149 (10), 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with Schedule IV to the Act or any statutory modification(s) or re-enactment thereof, and Regulation 17 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further amendments thereto, Dr Shridhar Shukla (DIN : 00007607) in respect of whom the Company has received a notice in writing under Section 160 (1) of the Companies Act, 2013 from a member proposing his candidature for the office of Director be and is hereby re-appointed as an Independent Director of the Company to hold office for a further period of five (5) years with effect from 12th April, 2023 till 11th April, 2028."

8. **To approve amendments in Articles of Association of the Company and in this regard to consider, and if thought fit, to pass with or without modifications, the following Resolution as Special Resolution:**

"**RESOLVED THAT** pursuant to provisions of Section 14 and other applicable provisions , if any, of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014, (including any statutory modification (s) or re-enactment thereof for the time being in force), the regulations contained in the Articles of Association be and are hereby approved and adopted in substitution and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution".

By **Order of the Board of Directors**

Place: Pune
Date: 25th May, 2023

Dattatraya Nimbolkar
Chief Internal Auditor &
Company Secretary
(M. No.: 4660)

Notes:-

1. Ministry of Corporate Affairs ("MCA"), inter-alia, vide its General Circular Nos., 14/2020 dated 8th April, 2020 and 17/2020 dated 13th April, 2020, followed by General Circular Nos. 20/2020, dated 5th May, 2020, and subsequent Circulars issued in this regared, the lates being 10/2022 dated 28th December, 2022 (collectively referred to as **'MCA Circulars'**) has permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), **without physical presence of the members at a common venue**. Accordingly, the 37th AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be "Praj Tower", S. No. 274 & 275/2, Bhumkar Chowk - Hinjewdi Road, Hinjewadi, Pune 411057.

2. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means.

3. Corporate members intending to authorize authorised representatives to attend the Meeting through VC are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

4. Brief resume of the Directors proposed to be re-appointed, nature of her / their expertise in specific functional areas, names of Companies in which they hold directorship and membership / Chairmanship of Board, Committees, shareholding and relationships between Directors inter-se as stipulated under Regulation 36 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, are as follows;

Name of Director and (DIN)	Date of Birth (No. Of Equity Shares held)	Qualification (Relationship with other Directors)	Nature of Expertise	Name of Companies in which he/she holds Directorship*	Name of Committees of the Companies of which he/she holds Chairmanship/ Membership**
Ms. Parimal Chaudhari (DIN: 00724911)	01/08/1956 (14,400,000)	Post Graduate degree in Journalism & Communications from Pune University and MS in Television-Radio-Film (TRF) from Syracuse University, USA. Spouse of Dr Pramod Chaudhari	Versatile experience in Communication and Human Resource development. As Managing Trustee of Praj Foundation, she steers the CSR activities of the Company.	1.Praj Industries Ltd.	Praj Industries Ltd.-Member of Stakeholders' Relationship Committee.
Mr. Shishir Joshipura (DIN 00574970)	22/01/1962 (1,00,000 shares)	Graduate Mechanical Engineer from BITS Pilani and an Advanced Management Graduate from Harvard Business School.	Mr. Shishir possesses a strong business and leadership record. He is passionate about smart manufacturing and regularly speaks on topic at various forums. He co-chairs the CII Task Force on Bio-Energy (including Ethanol) for the year 2023-24. He is also the Founding Director for Alliance for Energy Efficient Economy (AEEE) – an industry think tank and policy advocacy organisation for energy efficiency in India.	1.Praj Industries Ltd. 2. Praj HiPurity Systems Ltd. 3. Praj GenX Ltd. (w.e.f. 15th March, 2023).	Nil
Dr Shridhar Shukla (DIN 00007607)	05/01/1962 No. of shares: Nil	Ph.D. in Computer Engineering North Carolina State University, USA, M.S. in Electrical Engineering , Virginia Tech USA., B. Tech in Electrical Engineering, IIT Bombay	Dr Shridhar Shukla is a software entrepreneur with a technology and academic background since 1995; business expertise in building and running software companies; expertise in infrastructure software products and services; created, established and grew multiple lines of business; organization building, software R&D, software sales and marketing; interest in improving education.	1.Praj Industries Ltd. 2. Praj HiPurity Systems Ltd.	1.Praj Industries Ltd.-Member of Audit Committee. 2. Praj HiPurity Systems Ltd.-Member of Audit Committee.

* Directorship includes Directorship in Indian Public Companies including Praj Industries Limited.

** Memberships / Chairmanship of only Audit Committee and Stakeholders' Relationship Committee have been considered for this purpose.

a) A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.

b) In case of joint holders, only such joint holder who is higher in the order of names will be entitled to vote.

c) Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, (Saturdays and Sundays are weekly offs), during business hours up to the date of the Meeting.

d) The Company has notified closure of Register of Members and Share Transfer Books from **Thursday, the 20th July, 2023 to Wednesday, the 26th July, 2023 (both days inclusive).**

The Dividend, if any declared, shall be payable to those shareholders whose names stand registered:

a. As beneficial owner as at the end of business hours on Wednesday, the 19th July, 2023 as per the lists to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in the electronic form and

b. As member in the register of members (Beneficiaries Position) of the Company/ Registrar & Share Transfer Agent as at the end of the business hours on Wednesday, the 19th July, 2023.

c. The dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched by 21st August, 2023 before statutory time limit.

e) Members holding shares in electronic form are requested to intimate any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates to the Company / Link Intime India Private Limited, Share Transfer Agent of the Company (Link).

f) Pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') including any statutory modification(s) or re-enactment thereof for the time being in force, dividend for the financial year ended 31st March, 2016 and onwards, which remains unclaimed for a period of seven (7) years from the date of its transfer to the unpaid dividend account of the Company would be transferred to Investor Education and Protection Fund ((IEPF).

The members who have so far not yet claimed their dividend for the previous years are advised to submit their claim to the Company or to the Company's Registrar and Transfer Agent at their address given herein below, quoting their Folio No. / DP Id and Client Id :

Link Intime India Pvt. Ltd.

Block No. 202, 2nd Floor, Akshay Complex,

Near Ganesh Temple, Off Dhole Patil Road,

Pune 411 001.

During Financial Year 2022-23, the Company has transferred the unpaid or unclaimed dividend of Rs. 12,21,883/- to IEPF in accordance with the provisions of Section 125 of the Companies Act, 2013 read with the IEPF Rules, as amended.

g) Pursuant to the provisions of Section 12 (6) of the Companies Act, 2013 read with IEPF Rules, 2016, as amended, all the shares in respect of which dividend has not claimed for 7 consecutive years or more shall be transferred by the Company in the name of IEPF.

The shareholders who have not claimed / encashed the dividend in the last 7 consecutive years from F. Y. 2015-16 are requested to claim the same to avoid transfer of shares to IEPF.

In accordance with the aforesaid provisions, the Company has transferred 17,044 equity shares pertaining to the financial year 2014-15, in respect of which the dividend has not been claimed by the concerned shareholder/s consecutively for 7 years, to Investor Education and Protection Fund on 14th October, 2022

Shareholders may note that the unclaimed dividend amount transferred to IEPF and the shares transferred to the Demat Account of IEPF can be claimed back from IEPF by making an online application in Form IEPF 5 (available on www.iepf.gov.in) to IEPF authority with a copy to the Company.

h) Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Link, for consolidation into a single folio.

i) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Link.

j) Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.

k) Non-Resident Indian Members are requested to inform Link, immediately of:

(i) Change in their residential status on return to India for permanent settlement.

(ii) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with PIN code number, if not furnished earlier.

l) To further Company's environment friendly agenda and to participate in MCA's Green Initiatives, members are requested to register / update their e-mail address with their Depository Participants. Members who are holding shares in physical form are requested to send their e-mail address at investorsfeedback@praj.net for updation.

m) The notice of 37th Annual General Meeting and instructions for remote e-voting, is being sent by electronic mode to all members whose email addresses are registered with the Company/Depository Participant(s) unless a member has requested for a hard copy of the same.

n) Members are requested to notify their queries, if any, on financial statements etc. latest by 20th July, 2023 to facilitate the answering thereto. The queries be sent on e-mail at investorsfeedback@praj.net.

By **Order of the Board of Directors**

Place: Pune
Date: 25th May, 2023

Dattatraya Nimbolkar
Chief Internal Auditor &
Company Secretary
(M. No.: 4660)

Instructions and other information relating to e-voting are as under:

1. Ministry of Corporate Affairs ("MCA"), inter-alia, vide its General Circular Nos., 14/2020 dated 8th April, 2020 and 17/2020 dated 13th April, 2020, followed by General Circular Nos. 20/2020, dated 5th May, 2020, and subsequent Circulars issued in this regared, the lates being 10/2022 dated 28th December, 2022 (collectively referred to as **'MCA Circulars'**) has permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), **without physical presence of the members at a common venue**. Accordingly, the 37th AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be "Praj Tower", S. No. 274 & 275/2, Bhumkar Chowk - Hinjewdi Road, Hinjewadi, Pune 411057.

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 Circular dated 5th May, 2022 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 National Securitity Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized e-Voting 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 AGM will be provided by NSDL.

3. 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 to at least 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 AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM 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. 02/2022 dated May 5, 2022, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. 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 through VC/OAVM and cast their votes through e-voting.

    1. In line with the Ministry of Corporate Affairs (MCA) Circular No. 02/2022 dated 5th May, 2022 the Notice calling the AGM has been uploaded on the website of the Company at www.praj.net. 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 Notice is also disseminated on the website of NSDL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evoting.nsdl.com.

6. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 02/2022 dated May 5, 2022 and circulars No. 10/2022 dated December 28, 2022.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Saturday, the 22nd July, 2023 at 9:00 A.M. and ends on Tuesday, the 25th July, 2023 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 19th July, 2023 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 19th July, 2023.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular 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.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added 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 i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are 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 held 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	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 users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting 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 or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, 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 CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 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. 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 evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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. NSDL and CDSL.

Login type	Helpdesk details
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.: 022 48867000 and 022 24997000
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 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. 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.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to vikas.khare@kanjcs.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed uner "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 022 - 4886 7000 and 022 - 2499 7000 or send a request at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide 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 investorsfeedback@praj.net

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investorsfeedback@praj.net . If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular 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 required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/ OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/ OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

5. All the documents referred to in the Notice will be available for electronic inspection without any fee by the members from the date of circulation of this notice up to the date of AGM. i.e. 26th July, 2023. Members seeking to inspect such documents can send an email to investorsfeedback@praj.net.

6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investorsfeedback@praj.net. The same will be replied by the company suitably.

7. Those shareholders who have registred themselves as a speaker will only be allowed to experses their views / ask questions during the metting.

Dividend Related Information:

1. The Record Date for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting, is Wednesday, the 19th July, 2023.

2. Dividend as recommended by the Board of Directors, if approved at this meeting, will be paid by 21st August, 2023 by way of electronic mode or in physical form as follows:

   a) To all those shareholders holding shares in electronic form, as per the beneficial ownership data made available to the Company by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) as at the close of business hours on the record date i.e., Wednesday, the 19th July, 2023 and

   b) To all those shareholders holding shares in physical form, as per the details provided to the Company by the share transfer agent of the Company i.e., Link Intime India Private Limited ("Link Intime") as at the close of business hours on the record date i.e., Wednesday, the 19th July, 2023.

3. Accordingly, you are requested to ensure that the below details, as applicable to you, are submitted and/ or updated with Link Intime / your Depository participant(s):

   - Valid Permanent Account Number (PAN);
   - Residential status as per the Income-tax Act, 1961 ('the Act'), i.e. Resident or Non-Resident for FY 2023-24;
   - Category of the Shareholder, viz. Mutual Fund, Insurance Company, Alternate Investment Fund (AIF) – Category I, II or III, Government (Central/ State Government), Foreign Portfolio Investor (FPI)/ Foreign Institutional Investor (FII), Foreign Company, Individual, Hindu Undivided Family (HUF), Firm, Limited Liability Partnership (LLP), Association of Persons (AOP), Body of Individuals (BOI) or Artificial Juridical Person, Trust, Domestic Company, etc.;
   - Email Address;
   - Mobile number;
   - Bank account details; and
   - Address with PIN code (including country).

4. Following additional documents are to be submitted by the shareholders holding shares in physical form:

   - scanned copy of cancelled cheque leaf of the above-mentioned bank account (In case the cancelled cheque leaf does not bear your name, please attach a copy of the bank pass-book statement, duly self-attested); and
   - self-attested copy of your PAN card.

   This will facilitate receipt of dividend directly in your bank account.

5. Members holding shares in physical form are requested to send a communication duly signed by all the holder(s) intimating about the change of address, if any, immediately to the R&T agent / Company along with the self-attested copy of their PAN Card(s), unsigned copy of the Cheque leaf where an active Bank account is maintained and the copy of the supporting documents evidencing change in address. Communication details of R&T agent are as under:

   Link Intime India Pvt. Ltd. Block No. 202, Akshay Complex, Off. Dhole Patil Road, Pune 411 001; Tel No: 020 26160084 E-mail : pune@linkintime.co.in.

6. In case, the Company is unable to pay the dividend to any shareholder by the electronic mode, due to non-availability of the details of the bank account, the Company shall dispatch the dividend warrant to such shareholder by post.

7. The Company is required to deduct Tax at Source ('TDS') in respect of approved payment of dividend to its shareholders (resident as well as non-resident). To give effect to the TDS provisions, the shareholders are required to upload / provide with the Registrar and Transfer Agent at https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html or on email to investorsfeedback@praj.net the documents/ certificates/ declarations as stated in the ensuing paragraph and corresponding Annexures by the following dates:

Sr. No	Date of shareholding	Last date to submit details
1	Shareholders holding shares as on or before 12th July, 2023 and continuing to be shareholders on 19th July 2023	12th July 2023
2	Shareholders acquiring shares in between 13th July, 2023 to 19th July, 2023	20th July 2023

No communication on the tax determination / deduction shall be entertained after the above-mentioned dates.

8. TDS Rates:

8.1 Resident Shareholders:

TDS at the rate of 10% under section 194 of the Act is subject to provisions of section 206AB of Act (effective from July 1, 2021) which introduces special provisions for TDS in respect of non-filers of income-tax return.

As provided in section 206AB of the Act, tax is required to be deducted at the highest of the following rates in case of payments to specified persons:

- at twice the rate specified in the relevant provision of the Act; or
- at twice the rate or rates in force; or
- at the rate of 5%.

Where sections 206AA and 206AB are applicable simultaneously i.e., in a case where the specified person has not submitted the PAN as well as not filed returns, tax shall be deducted at the higher of the rates prescribed in these two sections.

The term 'specified person' is defined in sub section (3) of section 206AB of the Act as a person who satisfies the following conditions:

- A person who has not filed the income tax return for the previous year immediately prior to the year in which tax is required to be deducted, for which the time limit of filing of return of income under section 139(1) of the Act has expired; and
- The aggregate of TDS and TCS in his case is 50,000 or more in such previous year.

A non-resident who does not have a permanent establishment in India is excluded from the scope of a specified person.

In order to check the status of specified person, the Company would rely on the details available on the online portal of the Income tax Department and shall accordingly determine the applicable TDS rate. The Company shall not rely on any declaration in relation to non-applicability of provisions of section 206AB of the Act.

Further, no tax shall be deducted at source on the dividend payable to a **resident individual** if the total dividend to be received by the said resident individual from the Company during the financial year does not exceed Rs. 5,000.

Tax will not be deducted at source in cases where a shareholder provides Form 15G (where applicable) / Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions are met.

Blank Form 15G and 15H can be downloaded from the link given at the end of this communication. Please note that all fields mentioned in the Form are mandatory and the Company may reject the forms submitted, if it does not meet the requirement of the law.

NIL / lower tax shall be deducted on the dividend payable to following resident shareholders on submission of self-declaration (as per formats attached) enclosed as **Annexure - A (Part 1)** herewith:

i. Insurance companies;

ii. Mutual Funds;

iii. Category I/ Category II Alternative Investment Fund (AIF) established in India;

iv. New Pension System Trust;

v. Other exempt shareholders; and

vi. Government

The above referred documents submitted by you will be verified by us and we will consider the same while deducting the appropriate taxes, if any, provided that these documents are in accordance with the provisions of the Act.

8.2 Non-resident Shareholders:

Tax is required to be deducted at source in the case of non-resident shareholders in accordance with the provisions of section 195 of the Act at the rates in force. As per the relevant provisions of the Act, the TDS on dividend shall be @ 20% or applicable rate under the DTAA plus applicable surcharge and health & education cess on the amount of dividend payable to the non-resident shareholders. For FII/ FPI shareholders, section 196D provides for TDS @ 20% or applicable rate under the DTAA plus applicable surcharge and health & education cess.

However, as per section 90 of the Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) read with applicable Multilateral Instrument (MLI) provisions, if they are more beneficial to them.

In order to claim the benefit of the DTAA, non-resident shareholders will have to provide required documents/ declarations. A list of such documents/ declarations required to be provided by the shareholders is enclosed as Annexure - A (Part 2) herewith.

Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by non-resident shareholders and meeting the requirement of the Act read with applicable DTAA. In absence of the same, the Company will not be obligated to apply the beneficial DTAA rate at the time of tax deduction on dividend.

The above referred documents submitted by you will be verified by us and we will consider the same while deducting the appropriate taxes, if any, provided that these documents are in accordance with the provisions of the Act.

(i). In addition to the above, please note the following:

- In case you hold shares under multiple accounts under different status/ category but under a single PAN, the highest rate of tax as applicable to the status in which shares held under the said PAN will be considered on the entire holding in different accounts.
- In case of joint shareholding, the withholding tax rates shall be considered basis the status of the primary beneficial shareholder.
- For deduction of tax at source, the Company would be relying on the above data shared by Link Intime as updated up to the record date.

(ii) It may be further noted that in case tax on dividend is deducted at a higher rate in the absence of receipt of any of the details/ valid documents mentioned in preceding paragraphs from the shareholders within the timeline mentioned above, the shareholders may consider claiming appropriate refund, as may be eligible in their return of income. No claim shall lie against the Company for such taxes deducted. The Company shall arrange to email the soft copy of the TDS certificate to shareholders at the registered email ID within the prescribed time, post payment of the said dividend, if approved in the AGM. The tax credit can also be viewed in Form 26AS by logging in with your credentials (with valid PAN) at TRACES https://www.tdscpc.gov.in/app/login.xhtml or the e-filing website of the Income Tax department of India https://www.incometax.gov.in/home.

(iii) Please note dividend shall be paid to the shareholders as per the details provided to the Company by Link Intime as at the close of business hours on the record date and TDS will be deducted accordingly, subject to declarations received by the Company in this regard.

(iv) NIL / lower tax shall be deducted on the dividend payable to resident as well as non-resident shareholders who have provided a valid certificate issued under section 197 of the Act for nil/ lower rate of deduction or an exemption certificate issued by the income tax authorities along with Declaration. Also, please provide valid declaration under Rule 37BA of the Income Tax Rules in case of Joint shareholders, Minor shareholders, etc. in case the dividend income is assessable for tax in the hands of person, other than the person whose name appears in the shareholder register as on the record date.

(v) In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Shareholder/s, such Shareholder/s will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operate in any assessment/ appellate proceedings before the Tax/ Government authorities.

The Company will be sending out individual communication to you through Link Intime. In the communication, step by step procedure for sharing/ uploading the aforementioned documents will be provided.

Kindly note that the aforementioned documents are required to be uploaded before 20th July, 2023 with Link Intime India Pvt. Ltd., the R&T Agent at https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html

You can also visit their site at https://www.linkintime.co.in under tab – Resources -> Downloads -> General to download the documents as applicable.

9. UPDATION OF BANK ACCOUNT DETAILS:

While on the subject, we request you to submit / update your bank account details with your Depository Participant, in case you are holding shares in the electronic form. In case your shareholding is in the physical form, you will have to submit a scanned copy of a covering letter, duly signed by you, along with a cancelled cheque leaf with your name and bank account details and a copy of your PAN card duly self-attested. This will facilitate receipt of dividend directly into your bank account. In case the cancelled cheque leaf does not bear your name, please attach a copy of the bank pass-book statement, duly self-attested.

10 . The Company shall arrange to email the soft copy of TDS certificate at the registered email ID of members post payment of the dividend.

11. No claim shall lie against the Company for such taxes deducted.

12. For further information, Members are requested to refer to the email communication sent to them in this regard.

By Order of the Board of Directors

Place: Pune
Date: 25th May, 2023

Dattatraya Nimbolkar
Chief Internal Auditor &
Company Secretary
(M. No.: 4660)

STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013:-

The following Statement set outs all material facts relating to the Special Businesses mentioned in the accompanying Notice:

Item No. 5

To ratify the remuneration of Dhananjay V. Joshi & Associates, Cost Accountants, Pune as Cost Auditors for the financial year ending 31st March, 2024.

The Board, on the recommendation of the Audit Committee, has approved the appointment of Dhananjay V. Joshi & Associates, Cost Accountants, Pune, the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2024 for a total remuneration of Rs. 3,25,000/- as Audit fees plus out of pocket expenses at actual on submission of supporting bills and taxes as may be applicable.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

Item No. 6

To consider and approve re-appointment of Mr. Shishir Joshipura as Chief Executive Officer (CEO) and Managing Director (MD) of the Company, the following Resolution as Ordinary Resolution:

Mr. Shishir Joshipura (hereinafter referred to as "SJ") (DIN: 00574970) was appointed by the Board at its meeting held on 14th March, 2018 as Chief Executive Officer (CEO) and Managing Director (MD) with effect from 2nd April, 2018 for a period of 5 years.

Pursuant to the recommendation of Nomination & Remuneration Committee, the Board, subject to the approval of the members, re-appointed SJ, as Chief Executive Officer and Managing Director of the Company for a period of 27 months with effect from 1st April, 2023 till 30th June, 2025.

SJ is a Graduate Mechanical Engineer from BITS Pilani and an Advanced Management Graduate from Harvard Business School. He has over 35 years of rich experience in varied fields of engineering.

SJ possesses a strong business and leadership record. He is passionate about smart manufacturing and regularly speaks on topic at various forums. He co-chairs the CII Innovation Council for Western Region and is a Member of the CII National Committee on Capital goods, Smart Manufacturing, Trades and Fairs. He is also the Founding Director for Alliance for Energy Efficient Economy (AEEE) – an industry think tank and policy advocacy organisation for energy efficiency in India.

The Company has received from SJ; Consent in writing to continue to act as as Chief Executive Officer and Managing Director pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

Intimation in Form DIR- 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section 2 of Section 164 of the Companies Act, 2013.

The Resolution as set out at Item No. 6 seeks the approval of members for the re-appointment of SJ as Chief Executive Officer (CEO) and Managing Director (MD), not liable to retire by rotation.

Brief terms of appointment of SJ, in terms of agreement dated 25th May, 2023 entered into with him, including remuneration are as follows;

During the Term, SJ shall be vested with substantial powers of management in respect of the Company and all group Companies (hereinafter, for the sake of brevity, referred to as "COMPANIES") and shall have the authority for general conduct and management of the whole of the business and affairs of the COMPANIES except in the matters which may be specifically required to be done by the Board either by the Act or by the Memorandum and Articles of Association of the COMPANIES. During the Term, SJ shall also exercise and perform such powers and duties as the Board of Directors of the Company (hereinafter called as "the Board") may from time to time determine and also which he may consider necessary or proper or in the interest of the COMPANIES, and in particular but without in any way restricting the general powers and authorities hereinbefore conferred on SJ, SJ shall be responsible for the Operating performance including Regulatory Compliances, Finance, Human Capital, Investor Relationship and Sustainability of COMPANIES. During the Term, SJ shall have the following powers to be exercised on behalf of the COMPANIES namely: -

(i) To manage, conduct and transact all the business affairs and operations of the COMPANIES including power to enter into contracts and to vary and rescind them.

(ii) To enter into and become party to and to sign and execute all deeds, instruments, contracts, receipts and all other documents or writings on behalf of the COMPANIES whether or not required to be executed under its common seal or not otherwise provided for in the Articles of Association of the COMPANIES for ensuring sustainability of operations.

1. **In consideration of his services to the Company, the Company shall pay to SJ following remuneration from 1st April 2023:**

   I. **Salary:**

   Basic Salary up to 15,20,000 **per month from 1st April 2023 to 31st July 2024**.

   SJ's next salary revision will be effective from 1st August 2024.

   II. **Allowances:**

   SJ shall be entitled to the following allowances / perquisites which shall not exceed 150 % of his basic salary:

   a) Fully furnished residential accommodation. Where no accommodation is provided by the Company, House Rent Allowance 60% of basic salary in lieu thereof shall be paid.

   b) Medical Allowance not exceeding 10.50 % of basic salary per month.

   c) Leave Travel Assistance for self and family not exceeding 8.33% of basic salary per month.

d) Other allowance not exceeding 30% of basic salary per month.

III. Contribution to Provident Fund:

The Company shall contribute an amount equal to 12% of SJ's basic salary to Provident Fund.

IV. National Pension Scheme:

The Company shall contribute an amount equal to 10% of SJ's basic salary to National Pension Scheme.

V. Gratuity:

Gratuity shall be payable to SJ @ half month's basic salary for each completed year of service and as per prevailing rules.

VI. Superannuation:

The Company will contribute an amount of Rs 1,50,000 per annum (maximum amount exempt under current provisions of Income Tax Act).

VII. Ex-gratia:

An amount representing excess of 15% of SJ's basic salary over Rs. 1,50,000/- should be paid to him as ex-gratia on an annual basis.

VIII. Performance Bonus/Variable Pay:

In addition to details specified from I to VII above, SJ shall be eligible for Variable Performance Pay up to 30% of CTC [basic salary + 150% of the basic salary towards cost of perquisites] per year depending on the performance of the Company & Praj Group of Companies for respective Financial Years. Modalities for Variable Performance Pay and computation thereof shall be mutually agreed upon and the amount finalized shall be recommended by the Chairman to the Nomination & Remuneration Committee and the Board for approval.

IX. Commission

In addition to details specified from I to VIII above, SJ will be eligible for Commission on Profits not exceeding 0.30% of Consolidated Profit after Tax (PAT) for respective Financial Years. However actual amount of Commission on Profits payable to SJ shall be mutually agreed upon and the amount finalized shall be recommended by the Chairman to the Nomination & Remuneration Committee and the Board for approval within overall limits of 0.30% of Consolidated PAT as specified above.

The Commission will be paid after approval of Audited Accounts by the Shareholders, for respective Financial Year.

X. Other Benefits:

a) Club Fees:

Membership fees of a maximum of two clubs in Pune shall be allowed to be reimbursed to SJ in respect of his personal membership. No admission fees and life membership fees shall be reimbursed. Fees for obtaining credit cards are not covered by this clause.

b) Personal accident insurance:

Insurance premium not exceeding Rs. 3,00,000/-per annum for insuring accidental / medical risks of SJ shall be reimbursed to him/ paid by the Company.

c) Car with driver and Telephone Expenses:

The Company shall provide chauffeur driven car for official and local personal purposes. The Company shall provide and pay for all running, maintenance, repairs and upkeep expenses in respect of the car.

The Company shall reimburse all telephone expenses incurred on the telephone at the residence of SJ. Personal long distance calls on telephone shall be billed by the Company to and recovered from SJ.

d) Leave and Leave Encashment:

SJ will be entitled for 30 days' Leave for each year of service. The Leave can be accumulated and encashed as per Company Policy.

e) Subject to any statutory ceilings prescribed under Companies Act 2013, SJ shall be entitled to such other allowances, perquisites, benefits and facilities as Nomination & Remuneration Committee from time to time may recommend and the Board of Directors approve.

"Family" for the above purpose means the spouse and dependent child of SJ.

XI. Power of the Board to vary the remuneration during Term:

During Term of this agreement, the Board shall have the power to vary the remuneration upward within the overall ceiling as prescribed under section 197 of the Companies Act 2013 with relevant rules.

XII. Inadequacy or Absence of Profits

If the Company has no profits or its profits are inadequate, the Company may pay SJ by way of salary, perquisites and other allowances, not exceeding the amount based on the effective capital of the Company, subject to the overall ceiling limit prescribed under Section II of Part II of Schedule V to the Companies Act, 2013.

2. Applicability of all the policies of the Company:

Notwithstanding anything contained hereinabove and though not specifically mentioned in this Agreement, SJ shall always be governed by all the Company Policies applicable to other Senior employees of the Company and shall abide by the same.

3. Sitting Fees

SJ shall not be entitled for any remuneration for attending any of the meetings of the Board / Committees of the COMPANIES.

4. Confidentiality, Secrecy and Non-competition

4.1 SJ shall not, during the Term or at any time thereafter, divulge or disclose to any person, firm, company, body corporate or concern whomsoever or make any use whatever for his own or for whatever purpose, of any confidential information or knowledge obtained by him during his employment as to the business or affairs of the COMPANIES or as to any trade secrets or secret processes of the COMPANIES and he shall during the continuance of his employment hereunder, also use his best endeavors to prevent any other person, firm, company, body corporate or concern from doing so. Further, SJ shall not, at least for two years after termination of the agreement, work for COMPANYS' customers/competitors.

4.2 SJ acknowledges that the Company shall be entitled to injunctive reliefs to restrain him from committing a breach of Clause 11.1 above.

5. Position as director

SJ acknowledges that he shall be a Director on the Board by virtue of his being the CEO & Managing Director and hence, if SJ ceases to be CEO & Managing Director, for any reason whatsoever, he shall automatically, without any act or application either on part of the Company or SJ, deemed to have ceased to be a Director of the COMPANIES. Accordingly, SJ's office as Director shall not be liable to retirement by rotation.

6. Termination

6.1 Either Party may terminate this Agreement without being bound to assign any reason by giving six months' notice in writing to the other. The Company shall have the option to pay SJ six months' remuneration in lieu of notice. However, SJ has no such option.

6.2 This Agreement shall automatically stand terminated upon the happening of any of the following events: -

(i) SJ commits any act of insolvency;

(ii) If SJ suffers from any legal disability which renders his continuance as a director on the Board illegal or undesirable;

(iii) If SJ suffers any physical or mental disability which prevents him from performing his obligations hereunder for more than six months;

(iv) If the Board resolves to revoke the appointment of SJ as Managing Director on the grounds that SJ has committed a material breach of the provisions of this Agreement or any other sufficient cause which renders SJ's continuance in office as not being in the interest of the COMPANIES.

6.3 SJ acknowledges that he has wide supervisory and managerial functions and he is not a workman within the meaning of the Industrial Disputes Act or under any other law.

6.4 SJ further acknowledges that in the event that SJ contending that the Company has unlawfully terminated this Agreement, SJ shall only be entitled to claim damages but shall not be entitled to claim any injunctive or other interlocutory reliefs against the Company.

No Director or Key Managerial Personnel of the Company and/ or their relatives, except SJ in his personal capacity for whom the Resolutions relate, is interested or concerned in the Resolutions.

The Board recommends the Ordinary Resolution as set out at Item No. 6 respectively of the Notice for approval by the shareholders.

Item No. 7

To consider and approve re-appointment of Dr Shridhar Shukla (DIN: 00007607) as an Independent Director of the Company and in this regard to consider and if thought fit, to pass with or without modifications the following resolution as Special Resolution:-

Shareholders at 32nd Annual General Meeting held on 6th August, 2018 had approved the appointment of Dr Shridhar Shukla (DIN: 00007607) as an Independent Director for a period of five (5) years with effect from 12th April, 2018 till 11th April,. 2023.

As per provisions of Sections 149 (10), 152 and other applicable provisions if any, read with Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV of the Companies Act, Independent Director shall hold office for a term up to five consecutive years and shall be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board' Report.

On the basis of consent received from Dr Shridhar Shukla and recommendation received from Nomination and Remuneration Committee, Board vide Circular Resolution no. CIR/ BM/01/2023-2024 dated 4th April, 2023, has approved re-appointment of Dr Shridhar Shukla as an Independent Director of the Company for further period of five (5) years with effect from 12th April, 2023 till 11th April, 2028, subject to approval of shareholders at 37th Annual General Meeting.

Therefore Members approval is sought for reappointment of Dr Shridhar Shukla as an Independent Director for a period of five (5) years with effect from 12th April, 2023 till 11th April, 2028.

Brief resume of Dr Shridhar Shukla, nature of his expertise in specific functional areas, names of Companies in which he holds Directorships and Memberships / Chairmanships of Board Committees, shareholding and relationships between Directors inter-se as stipulated under Regulation 36 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, are given at page no. 229 of this report.

Dr Shridhar Shukla is not disqualified from being re-appointed as Director in terms of Section 164 of "the Act". Dr Shridhar Shukla has given his consent to act as Director.

The Company has also received declaration from Dr Shridhar Shukla that he meets the criteria of independence as prescribed both under sub-section 6 of Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures) Regulations, 2015 read with amendments thereto.

In the opinion of the Board, Dr Shridhar Shukla fulfils the conditions for re-appointment as Independent Director as specified in the Act and the provisions of SEBI (Listing Obligations and Disclosures) Regulations, 2015 read with amendments thereto, and he is independent of the management.

Copy of the draft letter of re-appointment of Dr Shridhar Shukla setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Dr Shridhar Shukla is interested in the resolution set out respectively at Item No. 7 of the Notice with regard to his re-appointment.

The relatives of Dr Shridhar Shukla may be deemed to be interested in the resolution set out respectively at Item No. 7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the shareholders.

Item No. 8

To approve amendments in Articles of Association of the Company and in this regard to consider, and if thought fit, to pass with or without modifications, the following Resolution as Special Resolution:

The present Articles of Association ("AoA") were based on the Companies Act, 1956 and several regulations in the existing AoA of the company contain reference to specific sections of the Companies Act, 1956 and some of the regulations in the existing AoA are no longer in conformity with the Companies Act, 2013.

The Companies Act, 2013 is now largely in force and with its coming into effect, several Articles of existing AoA of the Company require alterations, modifications or deletion. It is therefore considered appropriate and expedient to wholly replace the existing AoA by a new set of AoA.

The new AoA to be substituted in place of existing AoA, incorporate various provisions of the Companies Act, 2013 and also carries forward certain provisions from the existing AoA suitably rephrased and which are not in conflict with the provisions of the Companies Act, 2013.

The proposed new draft of the AoA shall be available for inspection for the members at the Registered Office of the Company during business hours till the date of the AGM, on all days except Saturdays, Sundays and public holidays.

The Board recommends the Special Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

By **Order of the Board of Directors**

Place: Pune
Date: 25th May, 2023

Dattatraya Nimbolkar
Chief Internal Auditor &
Company Secretary
(M. Mo.: 4660)

Notes

Contributions to society

Sustainable water resources development project
Village Kandhari Khurd, block Badnapur, district Jalna.

De-silting and repairing of the percolation tank wall to recharge the ground water storage.


Project outcomes :

- Surface water storage capacity: 24.6 million litres
- Underground water storage capacity: 86 million litres
- Benefit to agriculture area: Around 200 acres

"Praj Tower" S. No. 274 & 275/2,
Bhumkar Chowk-Hinjewadi Road, Hinjewadi, Pune 411057,
INDIA+91-20-71802000 / 22941000 020-22941299 | info@praj.net

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