CONNECT . COLLABORATE . COMMIT

Annual Report 19-20

praj
Innovate • Integrate • Deliver

Achievements

US Based Biofuels Digest, a leading industry publication, ranked Praj Industries No.1 among the Best Places to Work in the advanced bioeconomy 2020.

Connect . Collaborate . Commit

As we navigate unprecedented pandemic challenges, we believe it merits sharpening focus on essentials so as to stay the course. At Praj we are unleashing the power of *Connect-Collaborate-Commit* to forge ahead.

Connecting with stakeholders across the value chain to support and encourage;
Collaborating with associates/partners by leveraging strengths &
Committing to our vision of making the world better place through our innovative technology, & sustainable solutions

With these building blocks in place, we remain confident our own progress and also helping the nation prosper!

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Board of Directors

Dr. Pramod Chaudhari
Executive Chairman

Berjis Desai

Parimal Chaudhari

Sivaramakrishnan S. Iyer

Dr. Shridhar Shukla

Mrunalini Joshi

Suhas Baxi

Shishir Joshipura
CEO & Managing Director

Sachin Raole
CFO & Director - Financial & Commercial

Company Profile

Board of Directors

Executive Directors	Dr. Pramod Chaudhari, Executive Chairman Shishir Joshipura, CEO and Managing Director Sachin Raole, CFO and Director - Finance & Commercial
Non Executive Directors	Berjis Desai Parimal Chaudhari Sivaramakrishnan Iyer Mrunalini Joshi Dr. Shridhar Shukla Suhas Baxi (w.e.f 8th August, 2019)
Chief Internal Auditor & Company Secretary	Dattatraya Nimbolkar
Statutory Auditor	M/s P.G. Bhagwat
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 Ltd. 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. Daund, Pune 412 108, Maharashtra, India
R & D Unit - II	Shreenathnagar, Patethan, P.O. Rahu, Tal. Daund, Dist. Pune 412 207, Maharashtra, India
Manufacturing Facilities	S No.748, Sanaswadi, Gat No. 745, Sanaswadi, Pune 412 208 Maharashtra, India Plot No. E-20 & E-21 additional MIDC Area, JejuriTal. Purandar, Pune 412 303, Maharashtra, India
Export Oriented Unit	Kandla SEZ Unit I, Plot No 307 to 314, Sector IV, Gandhidham, Kutch 370 230, Gujarat, India Kandla SEZ Unit II, Plot No 282 to 286 & 294 TO 298, Sector IV, Gandhidham, Kutch 370 230, Gujarat, India
Presence in	India, Thailand , USA and The Philippines

Chairman's Message

Dear Shareholders,

I am privileged to present the 34th Annual Report of your Company for FY 2019-20, an eventful year in many ways.

Following its annual summit in Davos in January 2020, the World Economic Forum (WEF) released a global risk report which listed six of the top 10 risks to the global economy pertaining to environment. Energy source and consumption has a direct relationship to progress of living standards as also on the environment. Striking right balance between progress and preservation of environment calls for enhanced efforts by embracing renewable energy sources and sustainable practices.

We endeavor to develop and deploy innovative and sustainable decarbonization solutions that enhance the cause of circular bioeconomy. Reduction in GHG emissions and increasing use of carbon neutral fuels developed based on our technology serve energy, environment and economy with equal aplomb. Our inclusive solutions deliver higher value by boosting the agricultural sector and farmer livelihood.

Bio-Mobility™ and Bio-Prism™ are the mainstays of Praj's contribution to the global Bioeconomy. Your Company has pioneered the Bio-mobility™ platform that envisages use renewable biological resources to produce carbon-neutral transportation fuels across all modes of mobility i.e. Surface, Air and Marine.

Building on the success of Bio-Mobility™, Praj has embarked on a path to unveiled basket of technologies for production of Renewable Chemicals & Materials (RCM) its Bio-Prism™ portfolio. Produced from bio-based feedstock, RCM has the potential to replace most chemicals and materials currently sourced using fossil resources.

Praj continues to strengthen a global ecosystem of partners across the value chain to develop innovative technologies and expand markets. We have partnered with India's premier R&D institutions such as ARAI, NCL and with international organizations like DVO (USA), Gevo (USA), Lygos Inc. (USA) and Sekab (Sweden) to develop sustainable solutions.

With its advanced solutions for water conservation, Praj is ensuring zero liquid discharge and minimizing the water footprint for customers. We continue to help industrial segments through our engineering business, delivering on commitments and deepening customer engagement.

Innovation is the growth engine of your Company, supporting customers by defining solutions to their today's and tomorrow's needs as also helping them enhance their competitiveness.

Your Company has continued with several new firsts to its credit. Just to name a few, Praj is setting up India's first batch of four commercial scale 2G biorefinery, first-of-its-kind integrated bioenergy complex and first demonstration facility for multi feedstock compressed biogas system.

Among our several national and international recognitions, the number one position in the Best Places to Work in the advanced bioeconomy 2020 stands out as testimony to our excellent workforce.

However, the year-end was disrupted by the unprecedented outbreak pandemic that brought the world to a standstill. We are managing the crisis resourcefully, remaining irrepressible and staying focused on cash, cost and creating value for customers. We continue to rally around other important stakeholders -- society, suppliers, employees, and shareholders.

As a social commitment to fight the pandemic, Praj contributed to government funds besides providing free and open access to its proprietary hand wash sanitizer (HWS) manufacturing technology. We are also helping customers around the world set up pharma grade alcohol plants in short time.

We wholeheartedly welcome the honourable PM's vision of आत्मनिर्भर भारत (self-reliant India) to emerge stronger from the crisis. Aligned to this vision, we vow to continue our contribution towards स्वदेशी इंधन (fuel made in India) in the form of biofuels which is a captive source of renewable energy.

In conclusion, here is a verse I had penned for employees and I would like to share the same with you.

"Committed to being caring and compassionate,
Innovating amidst challenges while seeking opportunities,
Driven by dreams and the spirit of dynamism,
We are passionate about excelling;
We are Praj."

Thank you for your continued support.

Dr. Pramod Chaudhari
Executive Chairman
Aug 2020, Pune

CEO & MD's Note

Dear Shareholders,

It gives me pleasure to communicate the progress of your Company for FY 2019-20. For FY 2019-20 on consolidated basis, revenues stood at Rs. 1102.37 cr as against Rs. 1141.11 cr in FY 2018-19. PAT stood at Rs. 70.43 cr as against Rs. 68.22 cr in the previous year.

Your company's business endeavors are aimed at sustainable decarbonization, reducing energy and water footprint as well as optimizing resources for customers. We continued to strengthen our leadership position in core businesses while leveraging our innovation prowess, developing customer centric solutions, investing in deep rooted relationships with customers and delivering on our promise of unmatched performance.

Praj is at the forefront of leading the future of transportation through its Bio-mobility™ platform which helps address challenges such as high GHG emissions, air pollution and associated health hazards. It also has far reaching impact across several stakeholders such as boosting rural economy and encouraging energy self-reliance, unmatched by any other alternative.

Your Company forged new partnerships, commercialized new technologies and expanded its customer footprint. The business environment had its usual challenges during course of the year, while the yearend presented completely different and unprecedented scale of challenge in form of the Covid-19 pandemic. Through a well-defined Business Continuity Plan and under the able guidance of our Board and support from all stakeholders, we are steering the business to a resilient position.

Allow me to walk you through some important business developments for FY2019-20.

Your Company's flagship bioenergy business improved domestic market share even as overall volumes did not register growth. We continued our focus on innovation and launched several new solutions to address customer challenges. We commissioned distillery having lowest water footprint and are setting up India's first-of-its-kind integrated bio-energy complex. This facility will produce multi products such as ethanol, CBG and fertilizer from bio-based feedstock while maintaining lowest energy and water footprint.

Execution of four 2G bio refineries is on course and we expect to commission the first by end-2021.

Your Company has set up India's first demo plant for multi feedstock compressed biogas system. Praj's CBG technology is finding favor for both transportation and industrial application.

The international business environment during the fiscal year remained subdued due to geopolitical dynamics and trade wars. Brazil and India signed a biofuels co-operation agreement and Praj strengthened its presence in strategic global markets by forging alliances. We partnered with Dedini S/A Indústrias de Base of Brazil to provide advanced technologies for ethanol production for South America, and with Sekab E-Technology AB, Sweden to commercialize technology to produce advanced biofuels and bio-chemicals from forest residue. Praj is expanding the scope of its collaboration with GEVO through an innovative model, integrating India's farming sector to sustainable aviation fuel production.

Critical Process Equipment and Skids business has progressed on establishing strategic relationships with key customers. Brewery business built on its market share, developing solutions for improving energy footprint and co products for customers. With water as an essential resource our zero liquid discharge (ZLD) solution continues to find increasing acceptance in the market.

The PHS business is making strong inroads in vaccines and injectables segments of pharma industry through water and process solutions.

We are leveraging our expertise and knowhow in O&M and digitalization, integrating our offerings, and providing customers with a higher degree of plant reliability, performance and OpEx benefits.
We consider People as our most prized assets and we take great pride in nurturing and growing talent to help them realize their potential.

I am delighted to share that earlier in this year, Tilak Maharashtra Vidyapeeth, Pune conferred the D.Litt. to our founder and chairman Dr. Pramod Chudhari in recognition of his pioneering contribution to bioeconomy globally. We are confident that under his able leadership we will continue to build sustainable solutions to make the world a better place.

I acknowledge the guidance and direction I received from the members of the Board. I thank my business partners, team members and other stakeholders for support extended. I thank you my dear shareholders for your continued faith in Praj's vision and mission.

My team and I remain confident that we will continue to build on this year's performance and traverse the path to a more promising future.

Shishir Joshipura
CEO & MD
Aug 2020, Pune

Highlights

Dr. Pramod Chaudhari being felicitated by chief guest Mr. Nitin Gadkari on the commemoration of his 71st birthday, in the presence of Mrs. Parimal Chaudhari, and Guests of honour, Dr. Raghunath Mashelkar and Mr. Pradeep Bhargava.

Praj successfully handed over a biomethanated vinasse pre-treatment & evaporation plant, & modernized distillery plant in Dominican Republic.

1st 'Complex Injectables Project' by Praj High Purity Systems for one of the leading pharmaceutical company in India

Praj at Glance (Consolidated)

	UOM	19-20	18-19	17-18	16-17	15-16
SALES (GROSS)	Rs. Mln	11023.657	11411.120	9234.568	9551.624	10638.168
SALES (NET OF EXCISE)	Rs. Mln	11023.657	11411.120	9165.864	9149.912	10236.038
OTHER INCOME	Rs. Mln	300.214	322.966	267.249	222.781	183.562
TOTAL INCOME	Rs. Mln	11323.871	11734.086	9501.817	9774.405	10821.730
TOTAL EXPENDITURE EXCLUDING DEPRECIATION	Rs. Mln	10274.064	10625.337	8730.767	8877.909	9517.385
EBIDTA (EXCLUDING OTHER INCOME)	Rs. Mln	820.070	883.323	610.296	732.168	1154.199
DEPRECIATION	Rs. Mln	218.461	229.496	240.925	221.243	250.249
PROFIT BEFORE TAX	Rs. Mln	831.346	879.253	530.125	675.253	1054.096
PAT BEFORE MINORITY INTEREST	Rs. Mln	704.363	682.075	394.877	445.999	824.722
PAT AFTER MINORITY INTEREST	Rs. Mln	704.309	682.032	394.909	446.028	824.623
OTHER COMPREHENSIVE INCOME	Rs. Mln	(3.294)	6.291	8.017	(6.384)	6.843
TOTAL COMPREHENSIVE INCOME	Rs. Mln	701.069	688.366	402.894	439.615	831.565
NET BLOCK OF FIXED ASSETS + CWIP	Rs. Mln	2965.014	2928.679	3020.738	3102.045	2957.310
SHARE CAPITAL	Rs. Mln	366.321	365.296	361.865	358.888	355.945
RESERVES AND SURPLUS	Rs. Mln	6826.168	7084.856	6899.492	6737.453	6196.902
NET WORTH	Rs. Mln	7192.489	7450.152	7261.357	7096.341	6552.847
EPS BASIC	Rs.	3.85	3.75	2.19	2.50	4.64

RATIOS	UOM	19-20	18-19	17-18	16-17	15-16
EBIDTA (EXCLUDING OTHER INCOME) TO SALES	%	7%	8%	7%	8%	11%
PBT TO SALES	%	8%	8%	6%	7%	10%
PAT TO SALES	%	6%	6%	4%	5%	8%
RONW	%	10%	9%	6%	7%	13%
ROCE	%	12%	12%	7%	10%	16%
NO. OF SHARES	Nos.	18,31,60,060	18,26,47,850	18,09,32,415	17,94,44,188	17,79,72,409
DIVIDEND	%	135%	106%	81%	81%	81%
BOOK VALUE PER SHARE	Rs.	39.27	40.79	40.13	39.55	36.82
CASH EPS	Rs.	5.05	5.01	3.53	3.74	6.05

DIRECTORS' REPORT

To The Members of Praj Industries Limited,

Your Directors are pleased to present the 34th Annual Report and the Audited Financial Statements for the year ended 31st March, 2020.

Financial Results

During the year under review, your Company has recorded total income of Rs.9756 Mn (previous year Rs. 9517 Mn), registering increase of 3% in total income. Profit after Tax increased by 3% to Rs.647 Mn (Previous year Rs. 624 Mn.). The performance summary is presented herewith:

(₹ Mn.)

Particulars	**2019-20**	2018-19
Turnover	**9419**	9233
Other Income	**337**	284
Total Income	**9756**	9517
Total Expenses	**8981**	8708
PBT	**776**	809
PAT	**647**	624
Other Comprehensive Income	**(12)**	5
Total Comprehensive Income	**635**	629
(+) Balance in Profit & Loss account	**4926**	4969
(+) INDAS Adjustments (ESOPs)	**4**	9
(-) IND AS Adjustment (Adjustment to opening Retained Earnings - IND AS 116: Leses / - IND AS 115: Revenue Recognition)	**39**	154
Profit Available for Appropriations	**5526**	5453
Appropriations		
- Final Dividend (F.Y. 2018-19/F.Y. 2017-18)	**296**	386
- Dividend Tax (F.Y. 2018-19/F.Y. 2017-18)	**61**	79
- Interim Dividend (F.Y. 2019-20)	**494**	
- Dividend Tax (F.Y. 2019-20)	**102**	
Transfer to Special Economic zone Re-investment Reserve	**159**	62
Balance in Statement of Profit & Loss	**4414**	4926

State of Company's Affairs

Please refer Management Discussion & Analysis report 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. 11324 Mn against last year (Rs. 11734 Mn). Profit before tax at Rs. 831 Mn against previous year's figure (Rs. 879 Mn). The performance summary is presented herewith:

(₹ in Mn)

Particulars	**2019-20**	2018-19
Turnover	*** 11024**	11411
Other income	**300**	323
Total income	**11324**	11734
Total expenses	**10493**	10855
PBT	**831**	879
PAT (after Minority Interest)	**704**	682
(+) Other Comprehensive Income	**(3)**	6
Total Comprehensive Income	**701**	688

* The turnover for F. Y. 2019-20 was less due to lock down declared by Govt. in second half of March 2020, on account of COVID-19.

Dividend

The Board of Directors vide Circular Resolution No.CIR/BM/3/2019-20 dated 5th March, 2020, declared and paid an Interim Dividend of Rs.2.70 /-per share (135%) of Face value of Rs.2/- for the financial year 2019-20. The Interim dividend pay-out was Rs. 596.11 Mn (Dividend: Rs. 494.47 Mn and Dividend Distribution Tax Rs. 101.64 Mn).

The above mentioned Interim Dividend shall be treated as final dividend for the year 2019-20.

The dividend payout is in accordance 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 11**. 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. 1,361,275/- to Investor Education and Protection Fund pertaining to the financial year 2011-12 on 24/09/2019. Further, the Company has also transferred 25979 shares to IEPF on 11/10/2019.

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 2019-20.

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" 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 Industries (Africa) (Pty.) Ltd, South Africa, Praj Far East Philippines Ltd. Inc., The Philippines, continue to be subsidiaries of your Company.

During the year, Praj Industries (Namibia) (Pty) Ltd. was closed down on 11/09/2019 as the project for which it was formed, was fully executed.

Consolidated Financial Statements of the Company, which include the results of the said Subsidiary Companies, are included in this Annual Report. Further, a statement containing the particulars for each of the Company's subsidiaries is also enclosed. 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

Further, a statement containing salient features of the financial statements of subsidiaries in the prescribed format AOC-1 is appended as **Annexure 7** to this Report. The statement also provides the details of performance, financial position of each of the subsidiaries.

Corporate Governance

Pursuant to the provisions of Regulation 34 (2) &(3) and 53(f), read with Schedule V of 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 Report (**Annexure 10**), Dividend Distribution Policy (**Annexure 11**) are annexed to this report.

Directors

Ms. Parimal Chaudhari (DIN 00724911) retired at 33rd Annual General Meeting held on 23rd July, 2019 and was re-appointed as Director of the Company.

Members at 33rd Annual General Meeting held on 23rd July, 2019 have approved the extension of tenure of Dr. Pramod Chaudhari, Executive Chairman (DIN:00196415) and Mr. Sachin Raole, Chief Financial Officer and Director-Finance & Commercial (DIN:00431438) for a period of three (3) years respectively.

Members at 33rd Annual General Meeting held on 23rd July, 2019 had approved re-appointment of Mr. Berjis Desai (DIN:00153675) and Mr. Sivaramakrishnan Iyer (DIN:00503487) as Independent Directors for a period of Five (5) years till 31st March, 2024.

Mr. Daljit Mirchandani (DIN:00022951) and Mr. Rajiv Maliwal (DIN: 00869035) retired at 33rd Annual General Meeting held on 23rd July, 2019.

Ms. Parimal Chaudhari (DIN 00724911) will retire at 34th Annual General Meeting and being eligible, has offered herself for re-appointment as Director of the Company.

Shareholders at 32nd Annual General Meeting held on 6th August, 2018, had approved the appointment of Ms. Mrunalini Joshi (DIN:00957617) as Independent Director with effect from 11th August, 2017 till the conclusion of Annual General Meeting to be held for adoption of accounts for the financial year 2019-20 or 10th August, 2020 whichever occurs earlier.

As per provisions of Section 149 (10) of the Companies Act, 2013 read with relevant Rules and Schedule IV, Independent Director can be re-appointed for consecutive term of five (5) years, subject to approval of shareholders by way of Special Resolution.

Based on the recommendation of Nomination and Remuneration Committee, the Board has re-appointed Ms. Mrunalini Joshi (DIN:00957617) as Independent Director for a period of 3 years with effect from 11th August, 2020, subject to approval of shareholders by way of Special Resolution.

Ms. Mrunalini Joshi has given her consent for re-appointment as Independent Director.

Item No. 6 of Notice of 34th Annual General Meeting contains necessary details of Special Resolution.

The Board of Directors vide Circular Resolution No.Cir/BM/01/2019-20 dated 08/08/2019 has appointed Mr. Suhas Baxi (DIN:00649689) as Additional Director with effect from 8th August, 2019, who will hold office till the conclusion of 34th Annual General Meeting.

Further, Board vide above mentioned Circular Resolution has appointed Mr. Suhas Baxi as an Independent Director with effect from 8th August, 2019 for a period of Five (5) years, subject to approval of shareholders at 34th Annual General Meeting.

Item Nos.7 & 8 of Notice of 34th Annual General Meeting contain Resolution for the same.

Composition of Key Managerial Personnel (KMP)

The Company has the following KMPs;

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 and Managing Director	02.04.2018	N.A.
Mr. Sachin Raole	CFO and Director- Finance & Commercial	14.07.2016	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

Members at 29th Annual General Meeting held on 6th August,2015, had appointed M/s P.G Bhagwat, Chartered Accountants, Pune (Firm Regn. No. 101118W) as the Statutory Auditors of the Company till the conclusion of 34th Annual General Meeting to be held in the calendar year 2020. Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, Audit Committee has recommended re-appointment of M/s P.G. Bhagwat as Statutory Auditors for another term of 5 years i.e. till the conclusion of 39th Annual General Meeting of the Company 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 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 2020-21.

c) Cost Auditors

Your Company has appointed Dhananjay V. Joshi & Associates, Cost Accountants as Cost Auditors of the Company for the financial year 2020-21 at the remuneration as set out in item No.4 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, Practising Company Secretaries Pune, were appointed to conduct the Secretarial Audit of the Company for the financial year 2019-20, as required under Section 204 of the Companies Act, 2013 read with rules framed thereunder. The Secretarial Audit Report (MR-3) for financial year 2019-20 forms part of the Directors' Report as **Annexure 6**.

The Board has appointed M/s KANJ & Co., LLP, Practising Company Secretaries Pune, as Secretarial Auditors of the Company for the financial year 2020-21.

Material changes and commitments, if any, 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

Due to COVID-19 pandemic, the operations of the Company are affected from mid March 2020.

The Company has made detailed assessments of the recoverability and carrying value of its assets comprising property, plant and equipment, inventories, receivables and other current assets and on the basis of evaluation, the Company is of the opinion that there are no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

Given the criticalities and uncertainties associated with nature, condition and duration of COVID- 19, the impact assessment on the Company's financial health will be continuously made and provided for as required.

The nationwide lockdown announced by Central Government from 23rd March 2020 led to temporary stoppage of operations. With restrictions on resumption of operations, the Company made concerted efforts to obtain necessary approvals from Central and State Government and resumed the operations duly adhering to the Guidelines issued by Central/State/Local Government Authorities for Industrial Units/offices etc.

The Company also took considerable efforts to safely mobilize manpower and implemented the concept of Work Form Home for ensuring better customer response. In backdrop of this situation, the Company is making all out efforts to execute the orders thus ensuring support to domestic and international customers.

During this period, your Company commissioned 11 plants. As on date, all the sites of the projects are operational.

Further there was no change in the nature of business of the Company.

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, the Board adopted Risk Management Policy and initiated necessary steps for framing, implementing and monitoring the risk management plan for the Company.

The main objective of this 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.

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, Competition, Business, Technology obsolescence, Investments, Retention of talent, Finance, Politics and Fidelity.

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

The Risk Management Policy is also 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 KMP

The Company's remuneration policy for Directors/ KMP is directed towards rewarding performance based on review of achievements periodically. 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 8** to this report.

ESOP

During the year, your Company allotted 512,210 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 182,647,850 (Rs. 365.296 Mn.) to 183,160,060 (Rs.366.321 Mn.) as of 31st March, 2020.

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

In order 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 to the Standalone Financial Statements).

Contracts and arrangements with Related Parties

All contracts / arrangements / transactions entered by the Company during the financial year 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. 31 to the Standalone Financial Statements).

During the year, the Company had 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 the link: 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 arms 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 2019-20, all the transactions entered into with related parties were at arm's length. However, 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. 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.

The Board at its meeting held on 4th February, 2020 has carried out performance evaluation of all 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 long-term strategic planning.

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

In pursuance of 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.

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 in their report.

Extract of Annual Return

The extract of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 in prescribed Form MGT-9 for the year ended 31st March, 2020 is as per **Annexure 5** to this report.

Number of Board Meetings conducted during the year under review

The Board met four times during the financial year, 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.

Directors' Responsibility Statement

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:-

(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 of the Companies Act, 2013 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 2019-20 Rs. Mn.	% increase/ (Decrease) in remuneration over FY 2018-19	Ratio of the remuneration of each Director to median remuneration of employees.
1	Dr. Pramod Chaudhari	Executive Chairman	47.567	(8%)	48.4
2	Mr. Shishir Joshipura	CEO & MD	30.578	2%	31.1
3	Mr. Berjis Desai	Non- Executive Independent Director	2.100	-	2.1
4	Ms. Parimal Chaudhari	Non- Executive Director	1.550	(6%)	1.6
5	Mr. Sivaramakrishnan Iyer	Non- Executive Independent Director	1.750	-	1.8
6	Mr. Sachin Raole	CFO and Director- Finance & Commercial	16.496	(1%)	16.8
7	Ms. Mrunalini Joshi	Non- Executive Independent Director	0.600	9%	0.6
8	Dr. Shridhar Shukla	Non- Executive Independent Director	0.600	9%	0.6
9	Mr. Suhas Baxi	Non- Executive Independent Director	0.600	-	0.6
10	Mr. Dattatraya Nimbolkar	Chief Internal Auditor & Company Secretary	6.258	(13%)	6.4

The median remuneration of employees of the Company during the financial year was Rs.0.982 Mn. In the financial year, there was an increase of around 2% in the median remuneration of employees.

There were 935 permanent employees on the rolls of Company as on 31st March, 2020.

Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2019-20 was around 8% whereas the managerial remuneration for the same financial year reduced by around 4%.

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 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 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is given in **Annexure 9** to this Report.

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

No such events occurred during the financial year 2019-20.

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 employees (permanent, contractual, temporary, trainees) are covered under this policy.

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

Your Directors state that during the year under review, there was no case filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Energy Conservation, Technology Absorption, Adaptation, Innovation :

Sustainability is becoming a watch word in bio-fuels and bio-materials producing industry. To be able to sell these products in international markets, our customers need to have their operations assessed and certified by organization such as RSB [Roundtable on Sustainable Bio-materials].

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

- Lower lifecycle GHG emissions as compared to equivalent non-renewable raw materials.
- Reversing soil degradation, maintaining soil health and enhancing the quality and quantity of surface and ground water resources.
- Minimizing air pollution all along the supply chain.
- Using technologies that minimize unsustainable resource use and improves yield.
- 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 off -spec products, consumption of energy and water, all types of emissions and use of non-recyclable material. The plants are designed to exceed 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 technology advancement beats the previous benchmarks of yield, consumption of water, energy and effluents.

Number of technologies is developed and commercialized successfully, SHIFT – High brix fermentation technology for reduction in effluent quantity thereby reducing energy, Ecosmart Distillation for production of fuel grade, pharma grade and perfumery grade alcohol, Evaporative Distillation, Ecofine /Ecovap MVR 1.5 G ethanol technology based on starch and corn residue, to name a few of them.

Customers find the improvements in the sustainability parameters remarkable and that has helped us in maintaining our technology leadership position. Some of the technologies newly developed and being developed / commercialised are given below:

- HBCS - Technology for concentration of spent wash upto 70 brix PIB : process integrated boiler with use of HBCS for reduction in supplementary fuel.
- Bio-syrup technology giving the customer increase in ethanol yield as well as flexibility to store sugar rich stream to extended number of days of operation.
- Optimized design of ACHE being offered for water stressed projects.
- Optimization of Biogas Up gradation Technology developed with IIS Bangalore and IIT Delhi
- Advance bio-process for production of methane from agri-residue and other solid wastes.
- Technology for Gasification of biomass for production of syn gas and cleaning of syngas is under exploration stage.
- Lignocellulose Ethanol technology developed in house is now under execution and optimization of steam, water, chemical and enzyme consumption with improved GHG savings.
- Bolt on bagasse to ethanol plants under development and commercialization.
- Infusing Sustainability principles into design and engineering of plants and machinery and providing sustainability solutions to the customers is of prime significance.

Key Highlights for Financial Year 2019-20 :

1. During the year, your Company was granted 6 Indian patents and 41 foreign patents. The Company filed 131 international patents during last year. In all, your Company has 74 patents granted to its name.
2. Praj bagged the Industrial Green Chemistry World (IGCW) Award for the environment friendly furfural technology.
3. The enzymatic bio-diesel technology was expanded to use low grade feedstocks like tallow and waste fatty acids. Praj bagged first order for 50 TPD biodiesel plant from tallow in UP.
4. Praj developed lignosulphonate technology from the lignin generated from the 2G enfinity plant. This can be bolted on the 2G plant to improve overall viability of 2G ethanol plants.
5. Praj completed the DBT Biodiversity screening project in collaboration with D Y Patil University within time lines. 20,000 microbes were screened for 4 target molecules in 2 years.

Foreign Exchange Earnings & Outgo

(₹ Mn.)

Particulars	31/3/2020	31/3/2019
Earnings	**3687**	2742
Outgo	**804**	977
Net Foreign Exchange Earnings	**2883**	1765

Your Company has retained its status as a net forex earner consecutively for past 23 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: 13/08/2020

Dr. Pramod Chaudhari
Executive Chairman

ANNEXURE 1
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Overview

Your Company, Praj Industries (Praj), India's most accomplished industrial biotechnology Company with global footprints, is driven by innovation, integration and delivery capabilities. Over the past three decades, Praj has focused on the environment, energy, and agri-process industry, with over 750 customer references spanning 75 countries across 5 continents. Praj's diverse portfolio comprises of Bio-energy solutions, High purity water systems, Breweries, Critical process equipment & skids and Zero liquid discharge systems. Praj's vision is to make the world a better place using innovative technology solutions that are aimed at sustainable decarbonization, reducing energy and water footprints as well as optimization of resources across all its business offerings.

Your Company delivers value to its customers by deploying its unique TEMPO (Technology, Engineering, Manufacturing, Project management and Operations) model. Reflected in its motto of Innovate, Integrate and Deliver, Praj develops technologies at its state-of-the-art R & D center, Praj Matrix, to fulfill both stated and unstated needs of its customers. Praj further integrates these technologies through its expertise of process engineering, world class manufacturing and project management enhancing its offerings for the life cycle management of the customer facilities through operations and maintenance (O & M) services.

While developing the in-house technologies, Praj Matrix also builds strategic collaboration with global technology leaders integrating and absorbing complimentary technologies, helping create unique customer centric value propositions.

Praj has pioneered the Bio-Mobility™ that envisages use renewable biological resources to produce carbon-neutral 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 and are derived by processing feedstock such as Agri residue, Molasses, Cane syrup, grains, oil seeds, etc.

Bio-Mobility™ platform positively impacts the interest of stakeholders across the value chain delivering differentiated value. It uses agri residues as feedstock thus providing additional revenue stream to farming community. Being a captive resource, Bio-Mobility™ facilitates energy self-reliance as it reduces dependency on the imported crude and associated forex bill. Biological feedstock being renewable in nature, Bio-Mobility™ triggers carbon neutral cycles and thus helps preserve environment by reducing GHG emissions. It also helps curtail health hazards attributable to the air pollution due to burning of agri residues and emissions from fossil fuel combustion. Facilitating sustainable decarbonization on the circular bio-economy principle, Bio-Mobility™ has gained recognition as one of the mainstays of India's Bio-economy.

Your company's strength continues to be its unique approach of aligning with customers' strategies and dovetailing solutions to address their problem areas and create value. This has helped build time-tested mutually rewarding relationships with strategic customers around the world.

Advancements in digital technologies such as IOT, big data, etc. are redefining business models and are driving operational efficiencies. Your Company is harnessing these advancements through a digitalization program to enhance the value delivered to the customer and build its competitive advantage.

Business Snapshot

Bioenergy

Your Company's Bioenergy portfolio comprises of technology solutions for first generation ethanol, advanced biofuel (second generation ethanol), compressed biogas (CBG) and biodiesel systems.

Biofuels are produced using three types of bio-based feedstock namely sugary (C molasses, B molasses, sugar syrup etc.), starchy (damaged/ surplus grains, maze etc.) and cellulosic (agri residues and biomass)

1G: Domestic

Ethanol production in India is mainly dominated by sugary feedstock, C-heavy molasses available from sugar mills. Sugar production in India is significantly higher than the demand. Due to high sugarcane prices, Indian sugar is uncompetitive in global market and therefore can't be exported. This has resulted in surplus availability of sugar. Producing ethanol directly from cane juice syrup and B heavy molasses instead of sugar can help address this situation. This will ease out the imbalance in sugar sector besides boosting ethanol production.

A decade ago Colombia faced similar crisis of excess sugar production and Praj's technology had played a significant role in processing feedstock likes B heavy molasses and juice to produce ethanol. With our proven technology solution we are confident of emulating this success story in India and help sugar industry mitigate this crisis.

Currently the ethanol blending rate in the country is just 5%. The progressive National Biofuel Policy launched in 2018 has a stated objective of reaching 10% ethanol blending by 2022 and 20% by 2030. The policy envisages production of ethanol from expanded range of feedstock such as B heavy molasses, juice, syrup and damaged grains.

This, in turn, was followed by an announcement of Interest subvention program for sugar mills to expand ethanol production capacity and remunerative prices for ethanol derived from C-Molasses, B-heavy molasses and sugar cane juice. In Sept 2019, the GOI cabinet approved decision of upward revision of ethanol price for one year period starting December'19. Differential pricing will help sugar mills to opt for the right product mix between Sugar and Ethanol. In Nov 2019, the GOI through cabinet decision waived separate environmental clearance requirement to produce additional ethanol from B-heavy molasses as it does not contribute to any additional pollution load. Currently Food Corporation of India (FCI) is faced with the problem of surplus rice. To address the issue GOI cabinet has given approval to use surplus rice as feedstock to manufacture ethanol.

In spite of these measures, capacity creation did not pick up momentum in domestic market.

For ethanol supply year 2019-20 oil marketing companies (OMCs) had floated a tender of 511 crore liters of ethanol in September 2019. However, in response they received supply of only 156 crore liters, leaving a huge demand supply gap. To bridge this gap, OMCs floated a second tender in January 2020 for the supply of 253 crore liters of ethanol for the period of 1st Feb – 30th Nov 2020. The huge gap in demand-supply of ethanol was further accentuated by unfavorable weather conditions.

Sugar mills are unable to step up ethanol production because of unavailability of credit funding and absence of long term visibility of policies. There is also need to set up escrow mechanism between sugar mills and OMCs .

Despite the challenging external market environment, our domestic bioenergy business witnessed traction in terms of enquiries and order inflows. In spite of reduction in volume of order finalization, your Company improved its market share riding on the back of its technology edge and excellence in execution.

During FY 19-20, your Company has developed and deployed technologies to help customers maximize profitability by upgrading existing plant capacities while reducing the energy/ water footprints. With the upgraded plant capacity, customers can divert the feedstock to produce ethanol instead of sugar. Praj's integrated process solutions such as Maximol, PROFIT, SHIFT, help customers in achieving energy footprint reduction and improved operating costs. These solutions help customers reduce the greenhouse gas emissions from the plants and effluent generation.

We are also glad to share that your Company has received the contract for the first of its kind integrated bio energy complex. Using single feedstock, this facility can produce multiple products namely ethanol, compressed biogas as well as fertilizers as byproduct. It consists of three sections- molasses to ethanol plant, process integrated incineration system (PIB) and press-mud/bagasse to CBG Plant, integrated to achieve the high performance with lowest energy and water footprint.

1G: International

International market witnessed subdued momentum to capacity creation owing to local political and economy challenges.

In USA small refinery waiver from mandatory blending program resulted into closure of several existing ethanol producing plants. US China trade war is also impacting the global ethanol market.

The global sugar and ethanol supply and demand situation also led to a slowing down of capacity creation in Asia Pacific market for ethanol.

Implementation of Renewable Energy Directive ('RED II') in Europe has progressed slower than planned. This has resulted in renewed interest among ethanol producers for capacity enhancement and quality improvement in existing 1G ethanol plants.

In January 2020, Indian and Brazilian governments have entered into an Memorandum of Understanding (MOU) on strengthening bioenergy cooperation where they agreed to closely work together on research and development of renewable energy, as well as in the field of second-generation biofuels. RenovaBio, Brazil's new ethanol policy has the potential to nearly double the Brazilian ethanol market, currently the second-largest bioenergy market after the U.S. To strengthen company's presence in the Brazilian market, your Company entered into a Cooperation Agreement with Dedini S/A Indústrias, leader in Latin American market to provide advanced technology solutions for production of ethanol.

2G

Your Company is making healthy progress on four numbers of 2G bio refinery projects in India, that are based on its proprietary technology enfinity™. These projects are being set up by leading OMCs viz Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL), Hindustan Petroleum Corporation Limited (HPCL) and Mangalore Refinery Private Limited (MRPL).

This year, your Company received a second contract for critical equipment supply from BPCL for their Bargarh 2G refinery.

HPCL has issued letter to Praj confirming the transfer of License from Badaun to Bhatinda 2G bio refinery project. Initially the Bhatinda project was awarded to another technology provider. However HPCL has now decided to go ahead with Praj's enfinity™ technology for this project. This demonstrates your Company's technology edge and confidence it instills with its customers. We have also received the order for supply of proprietary equipment for this project.

You Company continues its research and development endeavors to make enfinity™ technology more viable and reliable. These include among others areas, process Integration for optimization of CAPEX & OPEX, development and integration of value added co-products like CO2, lignosulfonates, bitumen, CBG, Organic fertilizer etc.

CBG

As a part of Ministry of Petroleum and Natural Gas (MOPNG)'s SATAT program, OMCs have issued over 500 letters of intent (LoIs) to private developers for setting up CBG plants across the country. As the process takes roots and business cycles evolve, the year saw six projects progressed to financial closure stage.

OMCs have made long term pricing announcements as well as offered long term off take contracts for minimum 10 years for purchase of CBG. These initiatives will give a major push to use of CBG in the transportation sector and will provide an opportunity for capacity buildup over period of time

The CBG opportunity is also attracting interest from several MNCs focused on reducing their carbon footprint. The high energy consuming auto and FMCG sectors are closely evaluating CBG as an energy option for reduction of carbon footprint and operating cost.

Your Company has developed an innovative RENGAS process technology to produce CBG from solid organic wastes as well as liquid wastes like distillery spent wash, at a low operating cost. Your Company has collaborated with DVO Inc., US-based leading Biogas plants supplier. With integration DVO's unique Biomethanation digester system, Praj's RENGAS technology can give significantly high gas yields and unmatched reliability of operations.

As part of commercialization of proprietary CBG technology, Praj has set up a demonstration plant to showcase its end-to-end capabilities to industry stakeholders. This plant will be used to test, improve and optimize the technology further on different feedstocks.

Biodiesel

As per Biofuel 2018 policy, Govt. has mandated min. 5% blending of biodiesel into crude to reduce import duty of crude diesel. Secondly, Food Safety and Standards Authority of India (FSSAI) has advised the use of used cooking oil (UCO) as feedstock to produce green biodiesel. OMCs have released EOI to set up biodiesel plant to supply biodiesel quality (B 100) complying to IS 15607:2016 or ASTM D6751 specifications. Currently your Company is setting up a project based on Ecodiezel, a proprietary multi-feedstock biodiesel technology.

Other updates

Biofuels developed for the mobility sector will have a positive impact on environment by way of reduced carbon footprint and improved tail pipe emissions.

As further step to augment reach and application of Bio-Mobility platform your Company has entered into an MoU with Automotive Research Association of India (ARAI), Pune, India's premium R&D institution in the automobile sector to jointly drive application development of advanced biofuels that will find use in sustainable transportation and stationary energy generation.

The aviation sector is considered as one of the major producers of carbon and particulate emissions. To address this issue, your Company has partnered with Gevo Inc., USA, to collaborate on providing renewable, low carbon, low particulate, Sustainable Aviation Fuel (SAF) and premium gasoline. SAF will find application in aviation sector.

To combat the Covid-19 pandemic there is renewed focus worldwide to strengthen the public health system and medical infrastructure. As a result pharmaceutical grade alcohol, that has several applications such as hand wash sanitizers (HWS), disinfectant for medical/laboratory instruments & equipment, syrups, antibiotics etc., is experiencing enhanced demand. Current reduction in global energy demand for mobility has led to a reduction in demand for ethanol. At the same time the globe is witnessing the increasing demand for sanitization creating a favorable demand driver for pharma grade alcohol.

Ethanol manufacturers around the world are therefore keen to produce pharma grade alcohol and are looking for efficient technology solutions. With Ecosmart, Praj's patented technology for the high quality pharma grade alcohol, your Company is in pole position to cater to this new market opportunity.

We believe both domestic and international bioenergy landscape remains promising. There are several prospects unfolding and your Company is well placed to capitalize these opportunities.

Critical Process Equipment & Skids (CPES)

From extended basic engineering to commissioning assistance CPES offers Critical equipment such as pressure vessels, reactors, heat exchangers, columns and other proprietary equipment. CPES also specializes in conceptualizing, engineering and manufacturing of modular process packages for oil & gas processing, petrochemicals, industrial gas plants, waste to energy projects, & chemical plants.

In FY 2019-20, CPES business continued its strategy to establish strong relationships with select Global Technology and EPC players. As a result of several customer centric endeavors, the CPES business has been able to strongly position itself as a strategic supplier to select technology and EPC companies.

Praj received a major contract from a US-headquartered customer to supply pressure vessels for an LNG plant based in Louisiana, USA. Your Company is also executing contract for the global major industrial gas company for supplying special purpose vessels.

On the basis of its process knowledge and multi-disciplinary engineering strength, Praj has been at the forefront of driving modularization philosophy. Today, customers from Petrochemical and Chemical sectors have started appreciating our ability to conceptualize and design process plants in a modular configuration. Currently we are working with a US-based "waste to energy technology" player to develop modular design architecture and detailing for its plants. We expect to see increased business interest from more customers in modularization solutions in coming future.

Brewery Plants & Equipment

Brewery Plants & Equipment division of Praj offers customized plants, equipment & technology solutions to customers in the brewing industry and has an expertise ranging from engineering and designing to construction of breweries and process equipment. Praj has been a trusted partner for top global brewers and has been market leader in the domestic market.

Per capita beer consumption in India is very low (~2 liters) as compared to around South Asian countries (20 liters). This shows huge growth potential for Indian beer business. There has been growing demand for premium beers in India. Some of the beer manufacturers have launched variants of craft and wheat beers which are showing good traction in the market.

Our brewery business continues to strengthen its leadership position in the domestic market. We continued to receive consistent repeat orders from marquee brewing groups. Most investment was directed to enhance production capability for premier products.

With our focused internationalization drive we are experiencing enhanced interest levels from markets in Africa and South East Asia by way of firm enquiries.

Series of strategic initiatives in the area of productivity and efficiency improvement have helped us reinforce customer confidence in Praj brewery solutions. Recently we introduced WoSmart (Smart wort boiling) Technology that can reduce the energy footprints (steam consumption) to 50% as compared to conventional boiling resulting in significant cost saving.

Praj has developed a novel process and product technology for processing spent yeast and Spent Grain from beer manufacturing plant to produce Nutritional Performance Enhancer (NPE). NPE is a value added product that can be used as nutritional additive for performance enhancement of compound feeds for Dairy, Poultry and Aqua applications. NPE adds a new revenue stream for beer manufacturers.

Your Company is able to leverage its innovative capabilities to retain its pole position in the domestic market and strongly position itself in the international market.

Water & Waste Water Treatment Solutions

The industrial waste water treatment division of Praj offers comprehensive range of solutions for industrial effluent treatment, recycling and zero liquid discharge (ZLD) to customers across sectors namely metals, power, chemicals, fertilizers, F&B, textile, pharmaceuticals etc.

Water is increasingly becoming an area of attention and focus for all industries, given challenges on availability and depleting resources of water. There is dire need to focus on reduction of water footprint, efficient utilization of water resources and 'multiple' use of input water with tightening discharge norms.

In addition to the stringent environmental norms, an increasing sensitivity towards water usage has resulted in growing demand for water recovery, recycle and reuse systems. This has culminated into strong market traction for ZLD solutions.

In FY 19-20, the business has reported healthy flow of enquiries for ZLD systems from marquee customers in the metals, chemicals, food and pharmaceutical segments. Our relentless pursuit of execution excellence has resulted in repeat orders from key customers. We have been able to make further inroads in F&B segment by adding international customer account. Your Company also received a multi-year contract from a leading steel manufacturer for operations and maintenance services of their waste water treatment plant.

Praj HiPurity Systems (PHS)

Praj HiPurity Systems (PHS) is a wholly-owned subsidiary of Praj Industries Limited. PHS offers water systems (WS), modular process systems (MPS) as well as value added services (VAS) to customers in biopharma, sterile formulations, topical & orals, cosmetics & personal care and nutraceutical industry.

Over the last few decades, the Indian Pharma industry has evolved significantly as supplier of quality generic drugs to address the growing need for affordable healthcare around the world. Over the last few years, new opportunities are emerging in the entire value chain of Pharma i.e. bulk drugs (API's), generics, biosimilars and new drug delivery systems. With India at nascent stage of its activities in commercially oriented R&D and innovation, it also poses tremendous opportunities for new drug discoveries and related manufacturing.

In FY 19-20 PHS continued its focus on deepening customer relationships, overall process improvement and introducing new technology solutions for performance enhancement. The focus was to serve traditional clients wanting to expand existing capacities as well as the top Pharma companies wanting to enter in the space of Complex injectables, API and other specialty pharmaceuticals. As a result of our strong customer focus, PHS maintained its market share while adding significant opportunities in the specialty segments.

PHS made important progress in the complex injectables, a niche low volume high cost product segment, which is gaining traction across the globe. The partnership with Aquanova, of Sweden specially to cater to all important injectables and vaccine industry is paying dividends. Several top of the line pharma majors have reposed faith in this value proposition by way of awarding contracts.

The drugs going off-patent in the coming 2-3 years have a very high proportion of Biologicals which include fermentation based processes. PHS continues to focus on this opportunity by offering solutions for greener fermentation based manufacturing processes. Significant orders are being secured in this important business segment offered under the MPS vertical.

Our concerted efforts in the International markets have started to yield positive results witnessed in expanding order basket.

The Value Added Services (VAS) business continued to evolve with strong client connect and registered highest ever order book and service contracts to date. With pursuit of keeping a significant uptime of plants by major Pharma manufacturers, the spares support program under the VAS business growing consistently with high repeat business.

The attempt to realize revenue from the OPEX model has started yielding rich results helping maintain close proximity to clients post supply and also create avenues for service driven innovation like IOT, etc. PHS has ensured continuity in business for clients utilizing our service of O&M for water treatment plants even during lockdown.

With the emerging shifts and focus on localization, the domestic pharma industry intends to bring larger focus on producing API's (Bulk drugs) to reduce dependency on China.

To combat Covid-19, several projects are being setup for manufacturing COVID vaccines as well as disinfectant liquid; significant opportunities will emerge out of these new investments.

Operations and Maintenance Services

Leveraging its decade long expertise in the process industry, your Company has now expanded its business offerings in the Operations and Maintenance (O&M) services. Understanding the customers' need for smooth plant and efficient plant performance, your Company has developed and is piloting digital platform that will play important role in monitoring the plant performance and help in preventive as well as corrective maintenance of plants.

Innovation and R & D

In FY 2019-20, Praj Matrix launched an Enzymatic Biodiesel technology which is feed stock agnostic. Praj Matrix is working on optimization of the tocopherol and rice bran wax technology by enhancing yields and productivity. The rice bran wax produced by Praj Technology is being tested by a US- based MNC for coating applications. Your Company has set up demo plant for converting biomass to biogas that will be used for optimizing and scaling up of the technology.

Your Company has joined hands with Sekab E-Technology AB, Sweden, to upgrade and commercialize base technology to produce advanced biofuels and bio-chemicals from forest residue as feedstock. As a part of this cooperation, Praj will add significant value to Sekab's CelluAPP technology of converting forest residue in the form of softwood to ethanol, through Praj's proven capabilities to improve, optimize, integrate and scale up advanced biofuel technologies globally.

Your Company's strategy has always been to expand its business horizons leveraging its innovative, technology solutions in the bio-economy. Your Company is now foraying into the global Renewable Chemicals and Materials (RCM) industry with its newly launched Bio-Prism™ technology portfolio. We have constituted a global panel of expert advisors to help draw up a strategic blueprint and guide the progression of the Bio-Prism™ technology portfolio. Praj is developing technologies to produce bio-based RCM, which are sustainable alternatives to products made from fossil resources. Praj's Bio-Prism™ portfolio comprises technologies for producing variety of bio-industrial products, including bio plastics as a priority, along with cellulose-lignin refinery products and specialty products. These products have applications in industry sectors such as automotive, packaging, furnishing, construction, agriculture and food.

Your Company has joined hands with National Chemical Laboratory (NCL) for developing promising innovative technology solutions in the RCM space.

Your Company has signed MoU with Lygos Inc, USA based biotech company, to co-develop Advanced Lactic Acid Yeast Technology for Bio-based Products. As part of this MOU, Lygos will provide its proprietary yeast platform to Praj for jointly developing into various solutions for commercial applications. Praj will assemble other segments of technology backed up by its expertise in process development, optimization, design scale-up and will further integrate lactic acid as a source material in to making Bioplastic, called as Polylactic Acid (PLA).

In the year gone by, your Company was granted 6 Indian patents and 41 foreign patents. Your company filed 131 international patents last year. In all, your Company has 84 patents granted to its name.

Manufacturing Capability

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

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, Thane, 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

Human Capital

People are the most valuable assets of the organization and all human capital policies are designed to attract, retain, grow and nurture the talent and provide equal opportunities to its diverse workforce. Your Company fosters a culture of continuous learning to significantly contribute to organizational as well as individual effectiveness and growth.

Programs like 'Stay & Grow' for employee engagement, 'UDAAN' for high potential development, BUILD for senior leadership development and different key competency development learning initiatives are designed and rolled out to support higher business results. Your Company has a robust one year campus-to-corporate program for fresh talent that includes key projects and development through various agile learning systems.

Engagement plays a very significant role to drive productivity. Various initiatives like HR Employee Connect, Interactions with Chairman, CEO & MD and Leadership Team give employees a platform to share their thoughts / ideas for business success. In addition to this fun place to work is driven through various sports, festival celebrations and family activities which garner high energy and involvement.

Your Company has also started a new program, "Intrapreneurial Performance Award", that acknowledges the exceptional performance and innovation at an individual and team level.

Your Company has been ranked No. 1 among the Best Places to Work in the advanced bio economy 2020 by Biofuel Digest, world's most widely read daily in bio-economy.

Awards & Recognition

In FY 2019-20, Your Company was bestowed with the following awards, certifications and accolades-

- Ranked No 1 among the Best Places to Work in the advanced bio economy 2020 by Biofuel Digest, world's most widely read daily in bio-economy.
- Bagged the prestigious "Golden Peacock Eco-Innovation Award 2019" in recognition of 'Enfinty™', Praj's 2G technology by Institute of Directors, India.
- Won "Industrial Green Chemistry World Award" for Praj's improved technology development for furfural at the 6th Industrial Green Chemistry World Convention and Ecosystem.
- Team at SPR Distilleries, Mysore awarded as 'The Best Environmental and Safety Performer' among all vendors.
- Bagged "Pune Manufacturing Leadership Award 2019" for manufacturing excellence from CMO Asia.
- Bagged "Pune Best Employer Brand Award 2019" for best in class HR practices from CMO Asia.
- Honored with HSE SPHERE AWARD by client TOYO Engineering.

Future Outlook

The outbreak of the Covid-19 pandemic globally, has put public health and economy at risk like never before. Due to imposed lockdown, supply chains were at a standstill, factories were closed and people were confined to their home resulting in entire value chain coming to a grueling halt.

Your Company addressed this situation with well executed business continuity plan under which 70% of the organization immediately started working from home. In line with the guidelines by the Government, factory operations resumed with gradual increase in manpower utilization. Although the lockdown is being gradually eased and business operations have resumed, it will take some time to regain the pre-Covid levels. Even as we continue to battle challenges of Covid-19 on public healthcare and economy front, as a nation, self-sufficiency has emerged as a new mantra.

While entire world was in lockdown period, people experienced refreshing air and cleaner skies as a result of significant drop in air pollution levels. As the economic activities gradually get back to pre-covid levels we must endeavor to maintain tranquility in the environment. To be able to enjoy the same lifestyle, society will have to mend their style of living by way of adopting to sustainable practices such as embracing Bio-Mobility™.

Bio-Mobility™ platform, that that envisages use renewable biological resources to produce carbon-neutral transportation fuels across all modes of mobility i.e. Surface, Air and Marine, is expected to gain more and more prominence as it addresses air pollution related issues.

With its innovative product/ technology portfolio your Company is well poised to support the honorable PM's vision of **आत्मनिर्भर भारत** (self-reliant India) by contributions in **स्वदेशी इंधन** (fuel made in India) movement.

Due to temporary halt in industrial activity during lockdown, we witnessed rivers free of pollution and adulterations caused due to industrial effluent discharge. Pollution control authorities at central and state levels have prescribed clear measures for effluent treatment to mitigate and prevent such contaminations. Efforts are now being taken to implement ZLD strategy to completely stop any outflow of chemicals from the industry. Your Company has a strong technology play by way of ZLD offerings as well as latest waste water recycling solutions.

While we must be pragmatic and accept the importance of industrial activity, it is imperative to find sustainable ways to reduce its impact on the environment. Your Company is now developing technologies to produce bio-based Renewable Chemicals and Materials (RCM) with its newly launched Bio-Prism™ portfolio. Praj's Bio-Prism™ portfolio comprises of technologies to produce variety of bio-industrial products that opens up huge business opportunities from sectors namely automotive, packaging, furnishing, construction, agriculture and food.

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in Key Financial Ratios along with detailed explanations therefore required vide part B of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018:

Sr No	Ratio	U/M	Financial Year 2019/20	Financial Year 2018/19	Variation over 2018/19	Major reasons for variance
1	Debtors' Turnover	Days	105	99	6%	No significant variation
2	Inventory Turnover	Days	101	97	4%	No significant variation
3	Interest Coverage	Times	N.A.	N.A.	N.A.	N.A.
4	Current Ratio	Times	1.81	1.71	6%	No significant variation
5	Debt Equity Ratio	Times	N.A.	N.A.	N.A.	N.A.
6	Operating Profit Margin	%	7.32%	8.63%	15%	No significant variation
7	Net Profit Margin	%	6.87	6.76%	5%	No significant variation

Details of any change in Return on Net Worth as compared to the immediately previous financial year along with detailed explanations there for required vide part B of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018:

Ratio	U/M	Financial Year 2019/20	Financial Year 2018/19	Variation over 2018/19	Major reasons for variance
Return on Net Worth	%	8.98%	8.55%	5%	No significant variation

Forward looking statements

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 web link 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:

- Promotion of Education, Capacity Building, Employment and Gender equality
- Assistance to Orphanage, Old Age Homes and Differently Abled
- Training to promote nationally recognized Sports
- Environment sustainability and Rural development
- Healthcare including Preventive health and Eradication of Malnutrition
- Protecting art and culture

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").

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 undertakes CSR activities primarily in and around the areas of operation of the Company. PIL executes the CSR activities directly or through Praj Foundation or appropriate NGOs.

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.

Web link to CSR policy: www.praj.net

2. The Composition of the CSR Committee:-

Name of Director	Chairperson /Member	Date of Joining
Ms. Parimal Chaudhari	Chairperson	25.10.2013
Mr. Sivaramakrishnan S. Iyer	Member	25.10.2013
Ms. Mrunalini Joshi	Member	11.08.2017

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

Rs.702.177 Mn.

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

Rs.14.044 Mn.

5. **Details of CSR spent during the financial year :-**

(a) Total amount spent for the financial year;

Rs.14.048 Mn.

(b) Amount unspent, if any;

Nil

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

S.No	CSR Project or Activity Identified	Sector in which the project is covered	Projects or Programmes 1) Local Area or other 2) Specify the state and district where projects or programme was undertaken	Budget amount	Amount spent from 1st April, 2019 till 31 st Mar 2020	Cumulative Expenditure upto the reporting period	Amount spent Direct or through implementing agency
1	Preventive health awareness among women	Clause I Schedule VII	Women beneficiaries in VelheTaluka	68,000	67,221	2,392,578	Through Rachana Society for Social Reconstruction
2	Preventive health awareness among women	Clause I Schedule VII	Women beneficiaries in Velhe Taluka	513,000	512,900	2,242,250	Through Samaj Vikas Sanstha
3	Spring restoration at Pal (Kh) Velhe Taluka	Clause I Schedule VII	Villags of Pal (Kh)	124,000	122,380	122,380	Through Savtech Envision.
4	Education for underprivileged through Dance (DEED)	Clause II Schedule VII	Underprivileged children from slums	90,000	90,000	90,000	Through Createdu India Foundation
5	Supporting Nursing School at Chimbli	Clause II Schedule VII	Girls undergoing Nursing training	1,500,000	1,500,000	1,500,000	Through Swa Roop Wardhini
6	To implement Introduction to Basic Technology (IBT) in schools to make them model for other schools	Clause II Schedule VII	School children from std VIII-X	1,200,000	1,161,000	10,065,556	Through Vigyan Ashram
7	Skill development of rural population in Pasli, Velhe	Clause II Schedule VII	Women & men in Kumble & Pasli Villages, Velhe	100,000	98,780	98,780	Through Paoolwaat Foundation.
8	Educational Support to deserving students	Clause II Schedule VII	Deserving students persuing graduation	50,000	50,000	50,000	Through Vidyadaan Sahayak Mandal.
9	Water Resource Development at Antarvali Khandi	Clause IV Schedule VII	Villagers of Antarvali Khandi	2,150,000	2,150,000	2,150,000	Through Savitribai Phule Mahila Ekatma Samaj Mandal.
10	Water Resource Development at Chikhali	Clause IV Schedule VII	Villagers of Chikhali	1,450,000	1,450,000	1,450,000	Through Savitribai Phule Mahila Ekatma Samaj Mandal.
11	Water Resource Development at Shirapur	Clause IV Schedule VII	Villagers of Shirapur	240,000	237,400	237,400	Through Jan Kalyan Samiti
12	Water Resource Development at Sonoshi	Clause IV Schedule VII	Villagers of Sonoshi	1,310,000	1,305,872	1,305,872	Through Jan Kalyan Samiti
13	Water Resource Development at Butegaon	Clause IV Schedule VII	Villagers of Butegaon	770,000	725,000	725,000	Through Savitribai Phule Mahila Ekatma Samaj Mandal.

S.No	CSR Project or Activity Identified	Sector in which the project is covered	Projects or Programmes 1) Local Area or other 2) Specify the state and district where projects or programme was undertaken	Budget amount	Amount spent from 1st April, 2019 till 31 st Mar 2020	Cumulative Expenditure upto the reporting period	Amount spent Direct or through implementing agency
14	Water Resource Development at Kumbhari	Clause IV Schedule VII	Villagers of Kumbhari	1,900,000	1,865,000	1,865,000	Through Savitribai Phule Mahila Ekatma Samaj Mandal.
15	Water Resource Development at Wanjarwadi	Clause IV Schedule VII	Villagers of Wanjarwadi	1,500,000	1,461,000	1,461,000	Through Savitribai Phule Mahila Ekatma Samaj Mandal.
16	Traffic warden at Ghotawade Phata for improving traffic flow and reducing fuel wastage	Clause IV Schedule VII	Commuters from Urawade, Paud	252,000	251,708	1,048,539	Through Sumeet Enterprises.
17	IIT Bombay	Clause IX Scheule VII	Students of IIT Bombay	1,000,000	1,000,000	6,000,000	Through IIT Bombay
	Total			**14,217,000**	**14,048,261**	**32,804,355**	

RESPONSIBILITY STATEMENT

The Responsibility Statement of the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the PIL is reproduced below:

'The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the PIL.'

Shishir Joshipura
CEO & Managing Director

Parimal Chaudhari
Chairperson - CSR Committee

Place: Pune
Date: 13/08/2020

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, 2020, 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 Directorships 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, Strategic Planning, Business Knowledge, Policy Shaping and industry advocacy, Risk Management, Human Capital Management, Sustainability, and Environment, Social and Governance (ESG)
Mr. Shishir Joshipura	Business Knowledge, Strategic Planning, Global outlook, Policy Shaping and industry advocacy, Risk Management, Human Capital Management, Sustainability and Environment, Social and Governance (ESG)
Mr. Sachin Raole	Risk Management, Human Capital Management, Business Knowledge, Sustainability and Environment, Social and Governance (ESG)
Mr. Berjis Desai	Strategic Planning, Risk Management Policy Shaping and industry advocacy, Global outlook, Sustainability and Environment, Social and Governance (ESG)
Ms. Parimal Chaudhari	Human Capital Management, Strategic Planning, Global outlook, Sustainability and Environment, Social and Governance (ESG)
Mr. Sivaramakrishnan Iyer	Strategic Planning, Risk Management, Policy Shaping and industry advocacy, Global Outlook
Ms. Mrunalini Joshi	Business Knowledge, Global outlook, Policy Shaping and industry advocacy, Sustainability and Environment, Social and Governance (ESG)
Dr. Shridhar Shukla	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	No. of Directorships in other Public Limited Companies [2]	No. of Committee Memberships [3]	
					Chairman	Member
Dr. Pramod Chaudhari	PD, ED	4	Yes	2	Nil	Nil
Mr. Berjis Desai	ID, NED	4	Yes	9	4	5
Ms. Parimal Chaudhari[1]	PD, NED	4	Yes	Nil	Nil	1
Mr. Sivaramakrishnan S. Iyer	ID, NED	4	Yes	2	2	1
Mr. Sachin Raole	ED	4	Yes	1	Nil	2
Ms. Mrunalini Joshi	ID, NED	3	Yes	2	Nil	2
Dr. Shridhar Shukla	ID, NED	4	No	1	Nil	1
Mr. Shishir Joshipura	ED	4	Yes	2	Nil	Nil
Mr. Daljit Mirchandani [4]	NED	1	Yes	1	1	1
Mr. Rajiv Maliwal [4]	ID, NED	1	No	Nil	Nil	Nil
Mr.Suhas Baxi [5]	ID, NED	2	N.A.	Nil	Nil	Nil

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

1 Ms. Parimal Chaudhari is spouse of the Executive Chairman, Dr. Pramod Chaudhari. 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.

4 Mr. Rajiv Maliwal, ID, NED and Mr. Daljit Mirchandani, NID, NED retired on 23.07.2019.

5 Mr. Suhas Baxi appointed as ID, NED w.e.f 8th August, 2019.

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. ShishirJoshipura	Praj Industries Ltd-CEO & Managing Director (Executive Director)
03	Mr. Sachin Raole	Praj Industries Ltd-CFO & Director – Finance & Commercial (Executive Director)
04	Mr. Berjis Desai	Praj Industries Ltd.-Independent Director Jubilant Food Works Ltd-Independent Director Edelweiss Financial Services Ltd- Independent Director Man Infraconstruction Ltd.-Chairman, Independent Director. Deepak Fertilizers and Petrochemicals Corporation Ltd-Independent Director.
05	Mr. Sivaramakrishnan S. Iyer	Praj Industries Ltd-Independent Director The Phoenix Mills Limited –Independent Director
06	Ms. Parimal Chaudhari	Praj Industries Ltd-Non Independent Director, Woman Director
07	Ms. Mrunalini Joshi	Praj Industries Ltd- Independent Director, 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-Independent Director
09	Mr. Suhas Baxi	Praj Industries Ltd-Independent Director

c) Number of Board Meetings and Dates :

Four (4) Board Meetings were held during the year ended 31st March, 2020. The dates are – 16th May, 23rd July, 23rd October in the calendar year 2019 and 4th February in the calendar year 2020.

d) Number of shares and convertible instruments held by Non Executive Directors as on 31/03/2020 :

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	1,481,450	Nil	N. A.	N. A.
Ms. Parimal Chaudhari	14,400,000	Nil	N. A.	N. A.
Mr. Sivaramakrishnan S. Iyer	180,000	Nil	N. A.	N. A.
Ms. Mrunalini Joshi	Nil	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/investorslounge/policies/familiarization-program-for-independent-directors-of-Praj-industries. 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.

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 (Listing Obligations & Disclosure Requirements) Regulations, 2015 and as per Section 177 of the Companies Act, 2013 read with rules framed there under.

b. Composition:

As on 31st March, 2020, 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 five times during the year i.e. 16th May, 22nd July, 23rd October, 18th December in the calendar year 2019 and 3rd February in the calendar year 2020.

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	5	5
Mr. Sivaramakrishnan S. Iyer	5	5
Mr. Sachin Raole	5	5
Ms. Mrunalini Joshi	5	3

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 –8 to the Directors' Report.

b. Composition:

As on 31st March, 2020, 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 three times during the year i.e. on 16th May, 3rd August in the calendar year 2019 and 3rd February in the calendar year 2020.

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	3	3
Mr. Rajiv Maliwal *	1	1
Mr. Sivaramakrishnan S. Iyer	3	3
Dr. Pramod Chaudhari	3	2
Dr. Shridhar Shukla *	2	1

* Mr. Rajiv Maliwal ceased to be Member of the Committee and Dr. Shirdhar Shukla was appointed as Member of the Committee w.e.f. 23.07.2019.

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/investorslounge/policies/nomination-and-remuneration-policy.

(a) Remuneration of Executive Directors:

The aggregate value of Salary & Perquisites including commission for the year ended 31st March, 2020 to the Executive Directors is as follows:

Dr. Pramod Chaudhari, Executive Chairman Rs 47.567 Mn. (Salary Rs 44.550 Mn, Perquisites Rs. 3.017 Mn, Commission & Variable Pay Rs Nil), Mr. Shishir Joshipura, CEO and Managing Director Rs. 30.578 Mn (Salary Rs. 25.973 Mn, Perquisites Rs. 2.855 Mn, Commission and variable pay Rs. 1.750 Mn., Mr. Sachin Raole, CFO and Director – Finance & Commercial Rs. 16.496 Mn. (Salary Rs.9.994 Mn., Perquisites Rs. 5.102 Mn, Commission and Variable pay Rs. 1.400 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 3 years from the date of appointment i.e. upto 31st July, 2022. As per agreement, Severance Fee is restricted to 36 months' salary. Notice period is not applicable.

The current tenure of office of the Chief Executive Officer and Managing Director is for a period of 5 years from the date of appointment i.e. up to 31st March, 2023. Notice period is six (6) months.

The current tenure of office of the CFO and Director – Finance & Commercial is for a period of 3 years from the date of appointment i.e. up to 31st July, 2022. As per agreement, notice period is three (3) months.

Under ESOP 2011 Grant X, 2,50,000 Options (fixed options 1,00,000 and variable options 1,50,000) and 1,50,000 options (fixed options 1,00,000 and variable options 50,000) have been granted to Mr. Shishir Joshipura and Mr. Sachin Raole respectively at Rs. 70/- per option.

Since the section is amended by the Board at its meeting held on 26th May, 2020, variable portion of the options is not excursively know.

(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 2019-20 is Rs. 7.200 Mn. The details are as follows:

Mr. Berjis Desai Rs.2.100 Mn., Ms. Parimal Chaudhari Rs. 1.550 Mn., Mr. Sivaramakrishnan S. Iyer Rs. 1.750 Mn., Ms. Mrunalini Joshi Rs.0.600 Mn, Dr. Shridhar Shukla Rs.0.600 Mn. and Mr. Suhas Baxi Rs. 0.600 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, 2020, 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 6 complaints which were duly attended to. No investors' complaint is pending as on 31st March, 2020. All the complaints were solved to the satisfaction of shareholders.

d. Meetings:

This Committee met four times during the year ended 31st March, 2020. The dates are – 16th May, 23rd July, 23rd October in the calendar year 2019 and 3rd February in the calendar year 2020.

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 Corporate Social Responsibility Committee:

a. Terms of Reference :

The Committee was constituted vide 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, 2020, 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 i.e. on 16th May and 23rd July in the Calendar year 2019 and 3rd February in the calendar year 2020.

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
Mr. Daljit Mirchandani *	1	1
Ms. Mrunalini Joshi	3	3

* Mr. Daljit Mirchandani ceased to be Member of the Committee w.e.f. 23.07.2019

6.3. Share Transfer Committee:

a. Composition:

As on 31st March, 2020, 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 S. Iyer (Non-Executive, Independent Director)

b. Meetings:

This Committee met five times during the year ended 31st March, 2020. The dates are- 16th May, 27th June, 16th September and 23rd October in the calendar year 2019 and 3rd February in the calendar year 2020.

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	5	5
Ms. Parimal Chaudhari	5	5
Mr. Sivaramakrishnan S. Iyer	5	3

6.4 Compensation& Share Allotment Committee :

a. Composition:

As on 31st March, 2020, the Compensation & Share Allotment Committee of the Board comprises of Five (5) Directors namely, Mr. Berjis Desai (Non-Executive Independent Director, Chairman of the Committee), Dr. Pramod Chaudhari (Executive Chairman), Ms. Mrunailini Joshi (Non-Executive -Independent Director), Mr. Sachin Raole (Executive Director) and Mr. Suhas Baxi (Non-Executive -Independent Director).

b. Meetings:

This Committee met twelve (12) times during the year ended 31st March, 2020. The dates are – 18th April, 16th May, 27th June, 23rd July, 28th August, 16th September, 23rd October, 25th November and 16th December in the calendar year 2019 and 6th January, 3rd February and 12th March in the calendar year 2020.

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. Berjis Desai	12	4
Mr. Sivaramakrishnan S. Iyer **	7	3
Dr. Pramod Chaudhari	12	11
Mr. Daljit Mirchandani *	3	3
Ms. Mrunalini Joshi	12	9
Mr. Sachin Raole *	8	8
Mr. Suhas Baxi **	5	3

* Mr. Daljit Mirchandani ceased to be Member of the Committee and Mr. Sachin Raole was appointed as member of the Committee w.e.f. 23.07.2019

** Mr. Sivaramakrishnan S. Iyer ceased to be Member of the Committee and Mr. Suhas Baxi was appointed as member of the Committee w.e.f. 23.10.2019.

7. General Body Meetings:

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

Year	Venue	Date & Time	Special Resolutions passed
2018-19	"Praj Tower", S. No. 274 & 275/2, Bhumkar Chowk-Hinjewadi Road, Hinjewadi, Pune – 411 057	23rd July, 2019 at 10.00 a. m.	i. Extension of appointment of Executive Chairman beyond the age of 70 years. ii. Re-appointment of Mr. Berjis Desai as an Independent Director for a further period of five years. iii. Re-appointment of Mr. Sivaramakrishnan S Iyer as an Independent Director for a further period of five years.
2017-18	"Praj Tower", S. No. 274 & 275/2, Bhumkar Chowk-Hinjewadi Road, Hinjewadi, Pune – 411 057	6th August, 2018 at 10.00 a.m.	Nil
2016-17	"Praj Tower", S.No. 274 & 275/2, Bhumkar Chowk-Hinjewadi Road, Hinjewadi, Pune – 411 057	11th August, 2017 at 10.00 a.m.	i) Appointment of Mr. Sachin Raole (DIN: 00431438) as Whole Time Director for a period with effect from 16th January, 2017 till 31st July, 2019 and payment of remuneration

No Special Resolution was passed through postal ballot during the year 2019-20.

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 "Investors' 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	:	Friday, the 18th September, 2020 at 10.00 a.m.
Venue	:	At Pune, through video conferencing.
Financial Year	:	1st April, 2019 to 31st March, 2020
Dividend Payment Date	:	N.A.

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

National Stock Exchange Ltd. (NSE) Stock Code	 PRAJIND Address : Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051
BSE Ltd. Stock Code	 522205 Address: 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 2019-2020 have been paid to both the Stock Exchanges.

Financial Calendar

For the year ended 31st March, 2020 quarterly results were announced on:

Results for the quarter ended June 2019	23rd July, 2019
Results for the quarter ended September 2019	23rd October, 2019
Results for the quarter ended December 2019	4th February, 2020
Results for financial year ended March 2020	26th May, 2020

For the year ended 31st March, 2021, the tentative announcement dates are:

Results for the quarter ending June 2020	Second week of August 2020
Results for the quarter ending September 2020	Second week of November 2020
Results for the quarter ending December 2020	Second week of February 2021
Results for financial year ended March 2021	Third week of May 2021

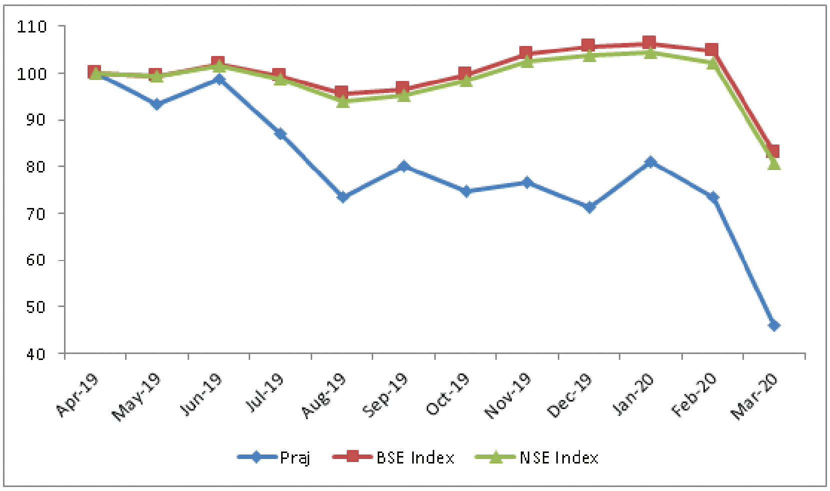
Stock Market Price Data

Monthly high / low during the year 2019– 2020 on BSE & NSE:

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2019	158.15	135.15	157.95	135.80
May 2019	152.00	115.65	151.80	115.60
June 2019	154.20	129.45	154.60	129.30
July 2019	144.50	96.65	144.65	96.40
August 2019	113.70	93.45	113.80	93.10
September 2019	125.70	99.55	125.60	99.50
October 2019	117.40	101.00	117.40	100.75
November 2019	116.80	105.35	116.85	105.35
December 2019	107.65	97.15	107.70	97.10
January 2020	129.70	102.35	129.75	102.70
February 2020	113.80	94.85	113.85	95.00
March 2020	98.55	43.00	98.80	43.00

(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 R & T Agents, Link Intime India Private Limited. The share transfers are processed within a period of 15 days from the date of receipt of the transfer documents by R & T Agent.

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 our R & T Agents viz. Link In time India Private Limited.

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.

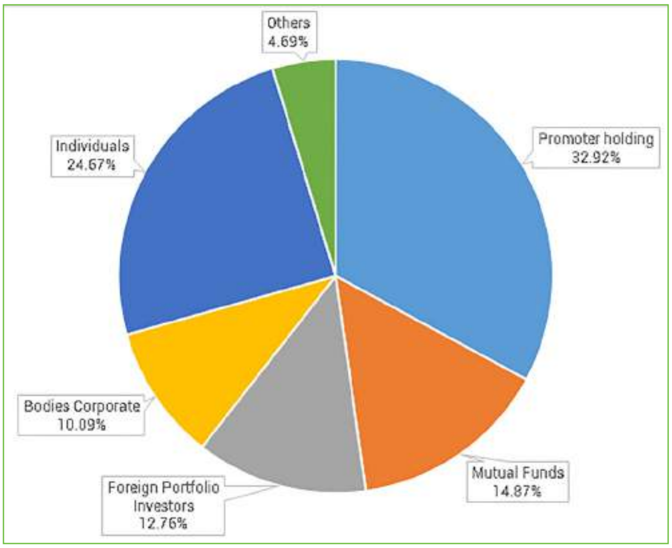
Distribution of shareholding as on 31st March, 2020

Shareholding of nominal value	Shareholders	Percentage	Nominal Value of Equity Shares in Rs.	Percentage
1 - 5000	100,935	97.74	45,056,364/-	12.30
5001 - 10000	1,215	1.18	8,856,466/-	2.42
10001 - 20000	560	0.54	8,196,350/-	2.24
20001 - 30000	185	0.18	4,653,690/-	1.27
30001 - 40000	68	0.07	2,480,150/-	0.68
40001 - 50000	45	0.04	2,083,528/-	0.57
50001 - 100000	102	0.10	7,356,068/-	2.00
100001 and above	154	0.15	287,637,504/-	78.52
Total	**103,264**	**100.00**	**366,320,120/-**	**100.00**

Shareholding Pattern as on 31st March, 2020

	31/03/2020		31/03/2019	
Category	**No. Of shares of Rs. 2/- each**	**% of holding**	**No. Of shares of Rs. 2/- each**	**% of holding**
Promoters Holding	**60,300,000**	**32.92**	60,300,000	33.01
Total (A)	**60,300,000**	**32.92**	**60,300,000**	**33.01**
Non – Promoter Holding				
Mutual Funds	**27,235,664**	**14.87**	29,881,563	16.36
Alternate Investment Funds	**2,240,729**	**1.22**	2,520,589	1.38
Foreign Portfolio Investor	**23,363,116**	**12.75**	26,466,539	14.49
Central Government/ State Government	**171,455**	**0.09**	145,476	0.08
Financial Institutions/ Banks/NBFCs	**782,759**	**0.43**	1,013,947	0.56
Individuals	**45,181,626**	**24.67**	39,010,767	21.36
Trusts	**3,100**	**-**	3,100	-
Hindu Undivided Family	**1,598,089**	**0.87**	1,211,211	0.66
Non-Resident Indians	**20,63,447**	**1.13**	1,460,420	0.80
Clearing Members	**549,604**	**0.30**	1,368,380	0.75
Bodies Corporate	**18,485,889**	**10.09**	18,706,755	10.24
Trustee Employees	**478,000**	**0.26**	-	-
ESOP	**706,582**	**0.39**	559,103	0.31
Total (B)	**122,860,060**	**67.08**	**122,347,850**	**66.99**
Total (A) + (B)	**183,160,060**	**100.00**	**182,647,850**	**100.00**

Pie chart regarding shareholding pattern:



Dematerialisation of Shares and Liquidity:

As on 31st March, 2020, 99.88% 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, 2020	%
No. of Shares held by NSDL	90,929,494	49.65
No. of Shares held by CDSL	92,004,307	50.23
Physical Shares	226,259	0.12
Total	**183,160,060**	**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
2012-13	Dividend 2012-13	22/07/2013	26/08/2020
2013-14	Interim Dividend 13-14.	05/02/2014	12/03/2021
	Final Dividend 2013-14	28/07/2014	01/09/2021
2014-15	Dividend 2014-15	06/08/2015	10/09/2022
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	10/10/2025
2018-19	Interim Dividend 2018-19	28/01/2019	03/04/2026
	Final Dividend 2018-19	22/07/2019	26/09/2026
2019-20	Interim Dividend 2019-20	05/03/2020	10/05/2027

Plant Locations:

The Company has its manufacturing facilities at the following places;

1. S. No. 748, Sanaswadi, Pune- 412 307, Maharashtra, India.
2. 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, Gujrat, India.
3. During the year, operations at Jejuri plant were shifted to Urwade.

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 thereunder 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/investorslounge/policies/praj-policy-on-related-party-transactions

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, except fine of ₹ 10,000/- each paid to BSE Ltd. and National Stock Exchange of India Ltd. regarding violation of regulation 29 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 during financial year 2018-19.

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 there to 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.

e. 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 M/s. P.G. Bhagwat, Statutory Auditors of the Company for the financial year 2019-20 are as follows:

Audit Fees	Rs 3.600
Taxation Services	Rs. 0.650
Others	Rs. 0.017
Total	**Rs 4.267**

iii. Separate posts of Chairperson and Chief Executive Officer :

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

iv. Reporting of Internal Auditor :

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 at https://www.praj.net/investorslonge/policies/policy-on-material-subsidiary

f. web link where policy on dealing with related party transactions is disclosed:

The policy on dealing with related party transactions is disclosed on at https://www.praj.net/investorslounge/policies/praj-policy-on-related-party-transactions

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 Complaint Committee as per the aforesaid Act.

During the year under review, there was no case filed pursuant to The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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/investorslounge/policies/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 Finance & Commercial forms part of this Report.

12. Certification by CEO and MD and Chief Financial Officer (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 13th August, 2020 and the same forms part of this report.

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

13. 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 Sir/Madam,

This is to certify that;

A. We have reviewed financial statements and the cash flow statement for the year ended on 31st March, 2020 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
CEO and MANAGING DIRECTOR

SACHIN RAOLE
CFO and DIRECTOR –
FINANCE & COMMERCIAL

Date : 13/08/2020
Place : Pune

DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

To the members of PRAJ INDUSTRIES LIMITED
Pursuant to Regulation 17(5)(b) and Regulation 26(3) read with Schedule V to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 we hereby declare that all Board members and Senior Management personnel are aware of the provisions of the Code of Conduct laid down by the Board (as amended from time to time) and made effective from 28th January, 2006. All Board members and Senior Management personnel have affirmed compliance with the Code of Conduct.

FOR **PRAJ INDUSTRIES LIMITED**

SHISHIR JOSHIPURA
CEO and MANAGING DIRECTOR

SACHIN RAOLE
CFO and DIRECTOR –
FINANCE & COMMERCIAL

Date :13/08/2020
Place : Pune

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).

The Members,
Praj Industries Limited
"Praj Tower",
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,2020, 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,2020.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to 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., L.L.P.**
Company Secretaries

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

Pune, dated 13 August 2020
UDIN: F003541B000572736

The Members,
Praj Industries Limited
"Praj Tower",
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, 2020.

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

I, Vikas Y. Khare, 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 2020 ("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

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

e. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

f. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the listed entity during the year under review)

g. Securities and Exchange Board of India (Issue and Listing of Nonconvertible and Redeemable Preference Shares) Regulations, 2013; (Not Applicable to the listed entity during the year under review)

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

i. Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 (regarding the Companies Act, 2013 and dealing with the client; and other regulations as applicable) and circulars/ guidelines issued thereunder,

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

b. The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.

a. No actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI/ through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder.

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

Sr. No.	Observations of the Practicing Company Secretary in the previous reports.	Observations made in the secretarial compliance report for the year ended 31st March 2020	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1	Regulation 39(3): The listed entity shall submit information regarding loss of share certificates and issue of the duplicate certificates, to the stock exchange within two days of it getting information.	NIL	The Company made good the deficiency of the FY ended on 31stMarch 2019.	The point is closed.

Further, in terms of SEBI circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019 in respect of Resignation of statutory auditors from listed entities and their material subsidiaries, the listed entity has suitably modified the terms of appointment of the auditor to give effect to clause 6(A) and 6(B) of the circular.

For **KANJ & Co., L.L.P.**
Company Secretaries

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

Place: Pune
Date: 29th July 2020
UDIN: F003541B000525106

The Members,
Praj Industries Limited
"Praj Tower",
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 considered necessary 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, 2020 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.

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., L.L.P.**
Company Secretaries

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

Pune
29th July 2020
UDIN: F003541B000525251

ANNEXURE 4
ESOP DISCLOSURE

Statement as on 31st March, 2020 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		27th Sept., 2017 Rs. 50/- 15th Dec, 2018 Rs. 50/- 15th Jan.2019, Rs 70/- 28th Jan., 2019 Rs.70/-
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	2,395,098
	ii.	Number of Options granted during the year	Nil
	iii.	Number of Options forfeited / cancelled/ lapsed during the year	55,580
	iv.	Number of Options exercised during the year	512,210
	v.	Number of shares arising as a result of exercise of options	512,210
	vi.	Money realised by exercise of options during the year	Rs.25.61 Mn.
	vii.	Number of Options outstanding at the end of the year	1,827,308
	viii.	Number of Options exercisable at the end of the year	322,308
8	Employee wise details of options granted to:		
	i.	Key Managerial Personnel	
		1. Mr. Shishir Joshipura, CEO & Managing Director	250,000
		2. Mr. Sachin Raole, CFO and Director Finance & Commercial	150,000
		3. Mr. Dattatraya Nimbolkar, Chief Internal Auditor & Company Secretary	35,000
	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	None
	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	27th Sept., 2017 Rs. 24.18 15th Dec., 2018 Rs. 59.41 15th Jan., 2019 Rs. 89.90 28th Jan., 2019 Rs. 62.17
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:

Particulars	27th September, 2017	15th December, 2018	15th January, 2019	28th January, 2019
1) Risk-free interest rate	6.45%	7.04%	6.83%	6.78%
2) Expected Life	1.5 years	1.03 years	1.59 years	1.55 years
3) Expected Volatility *	43.01%	57.46%	60.39%	61.51%
4) Expected Dividend Yield	2.96%	2.07%	2.07%	2.07%
5) Price of the underlying share in market at the time of Options grants	Rs. 68.50	Rs. 106.70	Rs. 153.10	Rs. 121.30

* Expected volatility has been determined based on closing price of the share of the company over a period equivalent to expected life.

ANNEXURE 5
EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) **CIN:-** L27101PN1985PLC038031

ii) **Registration Date :-** 08.11.1985

iii) **Name of the Company : Praj Industries Limited**

iv) **Category / Sub-Category of the Company :** Company Limited by Shares/Indian Non-Government Company.

v) **Address of the Registered office and contact details :** "Praj Tower", S.No. 274 & 275/2, Bhumkar Chowk- Hinjewadi Road, Hinjewadi, Pune – 411 057. Ph : +91 20-71802000 Fax : +91 20-22941299, e-mail : info@ praj.net

vi) **Whether listed Company :** Yes

vii) **Name, Address and Contact details of Registrar and Transfer Agent, if any :** Link Intime India Pvt. Ltd., Block No. 202, 2nd floor, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune 411 001. Ph: +91 20-26160084, e-mail: rnt.helpdesk@linkintime.co.in.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Manufacture of other Special- Purpose Machinery n.e.c.	28299	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Praj Engineering& Infra Ltd. "Praj Tower", S. No. 274 & 275/2, Bhumkar Chowk- Hinjewadi Road, Hinjewadi, Pune – 411 057.	U45204PN1993PLC073239	Subsidiary	99.65	2(87)(ii)
2	Praj HiPurity Systems Ltd. 1181 & 1182, Solitaire Corporate Park, Building 11, 8th Floor, Andheri-Ghatkopar Link Road, Andheri (East), Mumbai – 400 093	U41000MH2007PLC175261	Subsidiary	100.00	2(87)(ii)
3	Praj Far East Philippines Ltd. Inc. 17th Floor, Liberty Center,104. H.V. Dela Costa Street, Salcedo Village, Makati City, Metro Manila, Philippines	N.A.	Subsidiary	100.00	2(87)(ii)
4	Praj Far East Co. Ltd. 15, SukhumvitSoi 31, Sukhumvit Road, KlongtoeyNua, Wattana, Bangkok 10110, Thailand.	N.A.	Subsidiary	100.00	2(87)(ii)
5	Praj Americas Inc, 14511 Old Katy Road, Suite 370, Houston, Texas 77079, USA	N.A.	Subsidiary	100.00	2(87)(ii)
6	Praj Industries (Africa) (Pty.) Ltd. 7, West Street, Houghton, 2198, PO box 1574, Johannesburg, South Africa	N.A.	Subsidiary	100.00	2(87)(ii)
7	*Praj Industries (Namibia) Pty. Ltd. Shop 48, Second Floor, Old Power Station Complex, Armstrong, PO Box 90757 Windhoek, Namibia	N.A.	Subsidiary	100.00	2(87)(ii)

* closed down on 11th September, 2019.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(a) Category-wise Share holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
Individual/HUF	6,03,00,000	Nil	6,03,00,000	33.01	6,03,00,000	Nil	6,03,00,000	32.92	-0.09
Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
State Govt (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any Other…	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (1):-	**6,03,00,000**	**Nil**	**6,03,00,000**	**33.01**	**6,03,00,000**	**Nil**	**6,03,00,000**	**32.92**	**-0.09**
(2) Foreign									
NRIs – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Other – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any Other….	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (2):-	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**6,03,00,000**	**Nil**	**6,03,00,000**	**33.01**	**6,03,00,000**	**Nil**	**6,03,00,000**	**32.92**	**-0.09**
(B) Public Shareholding									
1) Institutions,									
Mutual Funds	29881563	Nil	29881563	16.36	27235664	Nil	27235664	14.87	-1.49
Banks / FI	984690	Nil	984690	0.54	782759	Nil	782759	0.43	-0.11
Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Alternate Investment Funds	2520589	Nil	2520589	1.38	2240729	Nil	2240729	1.22	-0.16
Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Portfolio Investor	26466539	Nil	26466539	14.49	23363116	Nil	23363116	12.76	-1.73
Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1):-	**59853381**	**Nil**	**59853381**	**32.77**	**53622268**	**Nil**	**53622268**	**29.28**	**-3.49**
2) Central Govt & State Govt(s)									
Sub-total (B) (2):									

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
3) Non-Institutions Bodies Corp.									
Indian									
Individuals									
Individual shareholders holding nominal share capital upto Rs. 1 lakh	29167662	221560	29389222	16.09	33123015	225259	33348274	18.21	2.12
Individual shareholders holding nominal share capital in excess of Rs 1 lakh	9619846	Nil	9619846	5.27	11833352	Nil	11833352	6.46	1.19
NBFCs registered with RBI	29257	Nil	29257	0.02	Nil	Nil	Nil	Nil	-0.02
Others (specify)									
Trust Employee	1699	Nil	1699	-	47800	Nil	47800	0.26	0.26
Overseas Depositories (holding DRs)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
IEPF	145476	Nil	145476	0.08	171455	Nil	171455	0.09	0.01
Trust	3100	Nil	3100	Nil	3100	Nil	3100	Nil	Nil
Hindu Undivided Family	1211211	Nil	1211211	0.66	1598089	Nil	1598089	0.87	0.21
Non Resident Indians (Non Repat)	479655	Nil	479655	0.26	489732	Nil	489732	0.27	0.01
Non-Resident Indian (Repat)	980765	Nil	980765	0.54	1573715	Nil	1573715	0.86	0.32
Clearing Member	1368380	Nil	1368380	0.75	549640	Nil	549640	0.30	-0.45
Bodies Corporate	18705755	1000	18706755	10.24	18484889	1000	18485889	10.09	-0.15
ESOP	559103	Nil	559103	0.31	706582	Nil	706582	0.39	0.07
Sub-total (B) (3):	**62271909**	**222560**	**62494469**	**34.21**	**69011533**	**226259**	**69237792**	**37.80**	**3.59**
Total Public Shareholding (B)=(B)(1)+ (B)(2)+ (B) (3)	122125290	222560	122347850	66.99	122633801	226259	122860060	67.08	0.09
Total (A) + (B)	183425290	222560	182647850	100	182933801	226259	183160060	100	Nil
(c) Shares held by Custodian for GDRs &ADRs									
Grand Total (A+B+C)									

(f) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	Dr. Pramod Madhukar Chaudhari	3,87,00,000	21.19	Nil	3,87,00,000	21.13	Nil	-0.06
2	Ms. Parimal Pramod Chaudhari	1,44,00,000	7.88	Nil	1,44,00,000	7.86	Nil	-0.02
3	Ms. Parimal Praomd Chaudhari (A/c Moriyaset Trust)	72,00,000	3.94	Nil	72,00,000	3.93	Nil	-0.01
	Total	**6,03,00,000**	**33.01**	**Nil**	**6,03,00,000**	**32.92**	**Nil**	**-0.09**

(g) Change in promoters' Shareholding

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of shares at the beginning (01.04.2019)/ end of the year (31.03.2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Dr. Pramod Madhukar Chaudhari	3,87,00,000 3,87,00,000	21.19 21.13	01.04.2019 31.03.2020	Nil	No Change during the year.	3,87,00,000	21.13
2	Ms. Parimal Pramod Chaudhari	1,44,00,000 1,44,00,000	7.88 7.86	01.04.2019 31.03.2020	Nil	No Change during the year.	1,44,00,000	7.86
3	Ms. Parimal Pramod Chaudhari (A/c Moriyaset Trust)	72,00,000 72,00,000	3.94 3.93	01.04.2019 31.03.2020	Nil	No Change during the year.	72,00,000	3.93

(h) Shareholding Pattern of Top Ten shareholders (other than Directors, Promoters and holders of GDRs and ADRs)

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of shares at the beginning (01.04.2019)/ end of the year (31.03.2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	HDFC Trustee Company Limited-HDFC Equity Fund	15969221	8.72	05/04/2019	-167000	Transfer	15802221	8.63
				12/04/2019	-1089000	Transfer	14713221	8.03
		14713221	8.03					
2.	TATA CAPITAL FINANCIAL SERVICES LTD	13256223	7.24	29/11/2019	-2000	Transfer	13254223	7.24
				06/12/2019	2000	Purchase	13256223	7.24
				20/03/2020	25	Purchase	13256228	7.24
				27/03/2020	245	Purchase	13256493	7.24
		13256493	7.24					
3.	GOTHIC CORPORATION	5230499	2.86	30/08/2019	150000	Purchase	5380499	2.94
		5380499	2.94					
4.	ATYANT CAPITAL INDIA FUND I	5177467 5177467	2.83 2.83	-	-	-	5177467	2.83

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of shares at the beginning (01.04.2019)/ end of the year (31.03.2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
5.	SUNDARAM MUTUAL FUND A/c SUDARAM SMALL CAP FUND	8084202	4.41	12/04/2019	-145148	Transfer	7939054	4.33
				07/06/2019	-123221	Transfer	7815833	4.27
				29/06/2019	-737670	Transfer	7078163	3.86
				05/07/2019	-515036	Transfer	6563127	3.58
				12/07/2019	-49347	Transfer	6513780	3.56
				26/07/2019	100000	Purchase	6523780	3.56
				27/09/2019	-527245	Transfer	5996535	3.27
				18/10/2019	-517534	Transfer	5479001	2.99
				08/11/2019	-24369	Transfer	5454632	2.98
				22/11/2019	-105015	Transfer	5349617	2.92
				29/11/2019	-9673	Transfer	5339944	2.91
				13/12/2019	-4165	Transfer	5335779	2.91
				17/01/2020	-23197	Transfer	5312582	2.90
				21/02/2020	-10000	Transfer	5302582	2.89
				28/02/2020	-30000	Transfer	5272582	2.88
				06/03/2020	-3015	Transfer	5269567	2.88
		5269567	2.88					
6.	VANDERBILT UNIVERSITY-ATYANT CAPITAL MANAGEMENT LIMITED.	2737988	1.49	02/08/2019	100000	Purchase	2837988	1.55
				30/08/2019	27900	Purchase	2865888	1.56
				06/09/2019	250000	Purchase	3115888	1.70
				13/09/2019	642721	Purchase	3758609	2.05
		3758609	2.05					
7.	UTI-MIDCAP FUND	3724389	2.03	26/04/2019	5	Purchase	3724394	2.03
				03/05/2019	-31946	Transfer	3692448	2.02
				07/06/2019	-9181	Transfer	3683267	2.01
				14/06/2019	-22664	Transfer	3660603	2.00
		3776703		07/02/2020	-13900	Transfer	3646703	1.99
				06/03/2020	100000	Purchase	3746703	2.04
				20/03/2020	30000	Purchase	3776703	2.06
			2.06					
8.	MATTHEWS EMERGING ASIA FUND	2523370	1.38	13/12/2019	-259766	Transfer	2265604	1.24
				27/12/2019	-113740	Transfer	2151864	1.17
				31/12/2019	-16298	Transfer	2015566	1.10
				31/01/2020	-126652	Transfer	1888914	1.03
				27/03/2020	-106606	Transfer	1782308	0.97
		1782308	0.97					
9.	SUNDARAM ALTERNATIVE OPPORTUNITIES FUND – NANO CAP SERIES I	1854870	1.01	18/10/2019	-194107	Transfer	1660763	0.91
		1660763	0.91					
10.	THE DUKE ENDOWNMENT	1804880	0.99	Nil	Nil	Nil	18,04,880	0.99
		1804880	0.99					

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of shares at the beginning (01.04.2019)/ end of the year (31.03.2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
11.	EDELWEISS TRUSTEESHIP COMPANY LTD-A/C EDELWEISS MF-A/C EDELWEISS MIDCAP FUND	1891753	1.03	19/04/2019	77026	Purchase	1968779	1.07
				26/04/2019	40532	Purchase	2009311	1.10
				24/05/2019	214625	Purchase	2223936	1.21
				31/05/2019	-142716	Transfer	2081220	1.14
				07/06/2019	112654	Purchase	2193874	1.20
				14/06/2019	14005	Purchase	2207879	1.21
				05/07/2019	49509	Purchase	2257388	1.23
				26/07/2019	-279167	Transfer	1978221	1.08
				02/08/2019	66596	Purchase	2044817	1.12
				09/08/2019	-13001	Transfer	2031816	1.11
				23/08/2019	193785	Purchase	2225601	1.21
				30/08/2019	102113	Purchase	2327714	1.27
				06/09/2019	299316	Purchase	2627030	1.43
				13/09/2019	232773	Purchase	2859803	1.56
				20/09/2019	162626	Purchase	3022429	1.65
				04/10/2019	-164328	Transfer	2858101	1.56
				11/10/2019	-187018	Transfer	2671083	1.46
				01/11/2019	-391859	Transfer	2279224	1.24
				08/11/2019	-441337	Transfer	1837887	1.00
				29/11/2019	-167655	Transfer	1670232	0.91
				06/12/2019	-101289	Transfer	1568943	0.86
				17/01/2020	678291	Purchase	2247234	1.23
				24/01/2020	442699	Purchase	2689933	1.47
		2689933	1.47					
12.	GOTHIC HSP CORPORATION	1785202 1785202	0.97 0.97	Nil	Nil	Nil	1785202	0.97

(V) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of shares at the beginning (01.04.2019)/ end of the year (31.03.2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
A	**DIRECTORS :**							
1	Dr. Pramod Chaudhari Executive Chairman	3,87,00,000 3,87,00,000	21.19 21.13	01.04.2019 31.03.2020	Nil	No Change during the year	3,87,00,000	21.13
2	Mr. Sachin Raole CFO and Director – Finance & Commercial	Nil 75,000	Nil 0.04	01.04.2019 31.03.2020	75,000	Options exercised during the year.	75,000	0.04
3	Mr. Berjis Desai Non- Executive, Independent Director	14,81,450 14,81,450	0.82 0.82	01.04.2019 31.03.2020	Nil Nil	No Change during the year	14,81,450	0.82
4	Ms. Parimal Chaudhari Non- Executive Promoter Director	1,44,00,000 1,44,00,000	7.88 7.86	01.04.2019 31.03.2020		No Change during the year	1,44,00,000	7.86
5	Mr. Rajiv Maliwal Non- Executive, Independent Director	12,000 12,000	Nil Nil	01.04.2019 23.07.2019	Nil	Nil	Nil	-
6	Mr. Sivaramakrishnan Iyer Non- Executive, Independent Director	1,80,000 1,80,000	0.09 0.09	01.04.2019 31.03.2020	Nil	No Change during the year	1,80,000	0.09
7	Mr. Daljit Mirchandani Non- Executive, Non- Independent Director	1,200 1,200	0.00 0.00	01.04.2019 23.07.2019	Nil	Nil	Nil	-

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of shares at the beginning (01.04.2019)/ end of the year (31.03.2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
8	Mr. Shishir Joshipura	Nil Nil	Nil Nil	01.04.2019 31.03.2020	Nil	No Change during the year	Nil	Nil
9	Ms. Mrunalini Joshi	Nil Nil	Nil Nil	01.04.2019 31.03.2020	Nil	No Change during the year	Nil	Nil
10	Dr. Shridhar Shukla	Nil Nil	Nil Nil	01.04.2019 31.03.2020	Nil	No Change during the year	Nil	Nil
11	Mr. Suhas Baxi	Nil Nil	Nil Nil	08.08.2019 31.03.2020			Nil	Nil
B	**Key Managerial personnel (KMP's)**							
1	Mr. Dattatraya Nimbolkar (Chief Internal Auditor& Company Secretary)	920	0.00	01.04.2019	45,000	Exercise of Options under ESOP 2011	45,920	0.02
		920	0.00	31.03.2020	45,000	Sale	920	

Note : The percentile change in the share holding without any change in number of shares held is due to increase in Paid up Share Capital during the year on account of exercise of Options under ESOPs.

V. INDEBTEDNESS :

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	0.410	Nil	0.410
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	0.410	Nil	0.410
Change in Indebtedness during the financial year				
i) Addition	Nil	Nil	Nil	Nil
ii) Reduction	Nil	0.410	Nil	0.410
Net Change	Nil	0.410	Nil	0.410
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Dr. Pramod Chaudhari Executive Chairman	Shishir Joshipura CEO & Managing Director	Sachin Raole CFO and Director – Finance & Commercial*	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	44.550	25.973	9.994	80.517
	(b) Value of perquisites u/s 17(2)of the Income-Tax Act, 1961	3.017	2.855	0.748	6.620
	(c) Profits in lieu of salary under section 17(3) of the Income-Tax Act, 1961.	0.000	0.000	0.000	0.000
2	Stock Option	0.000	0.000	4.354	4.354
3	Sweat Equity	0.000	0.000	0.000	0.000
4	Commission - as % of profit	0.000	1.750	1.400	3.150
5	Others, please specify Variable Pay	0.000	0.000	0.000	0.000
	Total (A)	**47.567**	**30.578**	**16.496**	**94.641**
	Ceiling as per the Act				**96.314**

B. Remuneration to Other Directors:

1. Independent Directors :

Sr No	Particulars of Remuneration	Berjis Desai	Mrunilani Joshi	Suhas Baxi	Sivaramakrishnan Iyer	Dr. Shridhar Shukla	Total
a	Fee for attending board / committee meetings	-	-	-	-	-	-
b	Commission	2.100	0.600	0.600	1.750	0.600	5.650
c	Others, please specify	-	-	-	-	-	-
	Total : (1)	**2.100**	**0.600**	**0.600**	**1.750**	**0.600**	**5.650**

2. Other Non- Executive Directors:

Sr No	Particulars of Remuneration	Parimal Chaudhari	Total
a	Fee for attending board / committee meetings	-	-
b	Commission	1.550	1.550
c	Others, please specify	-	-
	Total (2)	**1.550**	**1.550**
	Total (1) +(2)		**7.200**
	Total Managerial Remuneration		**-----**

* Total remuneration to Managing Director; Wholetime Director and other Directors (being the total of A and B)

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration		Key managerial personnel * Dattatraya Nimbolkar Chief Internal Auditor & Company Secretary
1	Gross Salary		
	(a)	Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	5.870
	(b)	Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	0.388
	(c)	Profits in lieu of salary under section 17(3) of the Income-Tax Act, 1961.	Nil
2	Stock Option		Nil
3	Sweat Equity		Nil
4	Commission		
	- as % of profit		Nil
	- others, specify...		Nil
	TOTAL		**6.258**

* Remuneration to CFO is already covered in Part A i.e. Remuneration to Managing Director, Whole-time Directors and/or Manager.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

	Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees impose	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A.	**COMPANY**					
	Penalty	Nil	Nil	Nil	N.A.	N.A.
	Punishment	Nil	Nil	Nil	N.A.	N.A.
	Compounding	NIL	NIL	NIL	N.A.	N.A.
B.	**DIRECTORS**					
	Penalty	Nil	Nil	Nil	N.A.	N.A.
	Punishment	Nil	Nil	Nil	N.A.	N.A.
	Compounding	NIL	NIL	NIL	N.A.	N.A.
C.	**OTHER OFFICERS IN DEFAULT**					
	Penalty	Nil	Nil	Nil	N.A.	N.A.
	Punishment	Nil	Nil	Nil	N.A.	N.A.
	Compounding	NIL	NIL	NIL	N.A.	N.A.

ANNEXURE 6

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2020

[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 in view of lockdown due to Covid-19 pandemic, provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2020, 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 2020 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. Subject to our observation on violation of Insider Trading Regulations /Code by one employee, 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, 2014;

   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. Due to lockdown in force, we could not check compliances of 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).

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. Mr. Daljit Mirchandani, Non-Executive Director did not offer himself for reappointment and the term of Mr. Rajiv Maliwal as an Independent Director expired on the date of Annual General Meeting and therefore, both the directors ceased to be directors w.e.f. 23 July 2019. Mr. Berjis Desai (DIN 00153675) and Mr. Sivaramakrishnan S. Iyer (DIN 00503487) have been re-appointment on 23 July 2019 as Independent Directors for the second term for a further period of 5 (five) years till 31st March, 2024.

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 there were no specific events / actions having 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
Partner
FCS No. 3541
C P No.: 2107

Place: Pune
Date: 13 August 2020
UDIN: F003541B000572714

To,
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 2020 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

Place: Pune
Date: 13th August, 2020

ANNEXURE 7

(All amounts are in Indian rupees million unless otherwise stated)

Salient features of Financial Statements of Subsidiaries pursuant to Section 129 (3) read with Rule 5 of Companies (Accounts) Rules, 2014.

NAME OF THE SUBSIDIARY COMPANY	Praj Far East Philippinnes Ltd. INC., The Philippinnes	Praj Industries (Africa) Pty. Limited, South Africa	Praj Americas Inc. USA	Praj Far East Co., Ltd. Thailand	Praj Industries (Namibia) Limited, Namibia	Praj HiPurity Systems Limited, India.	Praj Engineering and Infra Limited, India
FINANCIAL PERIOD OF THE SUBSIDIARY ENDED ON	31-03-2020	31-03-2020	31-03-2020	31-03-2020	31-03-2020	31-03-2020	31-03-2020
% OF SHAREHOLDING	100% of Equity Capital	100% of Equity capital	100% of Equity Capital	100% of Equity Capital	100% of Equity Capital	100% of Equity Capital	99.65% of Equity Capital
SHARE CAPITAL	11.167	104.558	9.281	12.519	0.000	50.000	3.098
RESERVES AND SURPLUS	13.488	(97.545)	(0.041)	0.573	0.000	910.215	83.536
TOTAL ASSETS	102.772	7.014	9.333	70.147	0.000	1472.582	358.222
TOTAL LIABILITIES (EXCLUDING SHARE CAPITAL AND OTHER EQUITY)	78.117	0.001	0.093	57.055	0.000	512.368	271.588
INVESTMENTS	NIL	NIL	NIL	NIL	NIL	NIL	NIL
TURNOVER	32.311	-	63.358	150.811	-	1189.398	246.727
PROFIT /(LOSS)FOR THE CURRENT YEAR (BEFORE TAXES)	5.223	0.029	4.145	4.730	0.980	(53.238)	27.080
PROVISION FOR TAXATION (INCLUDING DEFERRED TAXES)	1.816	-	-	1.914	-	(25.211)	11.675
PROFIT /(LOSS)FOR THE CURRENT YEAR (AFTER TAXES)	3.407	0.029	4.145	2.816	0.980	(28.027)	15.405
OTHER COMPREHENSIVE INCOME	10.026	(0.882)	0.736	0.495	(0.006)	(1.882)	0.017
TOTAL COMPREHENSIVE INCOME	13.433	(0.853)	4.881	3.311	0.974	(29.909)	15.422
ORIGINAL CURRENCY	PESO	ZAR	US DOLLAR	THAI BAHT	NAMIBIAN DOLLAR	INR	INR
EXCHANGE RATE AS ON 31 ST MARCH 2020 IN INR-CLOSING RATE	1.4918	4.2482	76.0100	2.3116	4.2482	1.00	1.00
EXCHANGE RATE FROM 1 ST APRIL 19 TO 31 ST MARCH 2020 IN INR-AVERAGE RATE	1.3795	4.8105	70.8739	2.2928	4.8105	1.00	1.00

ANNEXURE 8
Nomination & Remuneration Policy

The Board of Directors of Praj Industries Limited ("the Company"), in view of enforcement of Companies Act, 2013 read with rules framed there under and amendment to Clause 49 of the Listing Agreement, re-designated the Remuneration Committee as "Nomination and Remuneration Committee" at the Meeting held on May 26, 2014 with immediate effect.

Further, this policy stands amended pursuant to Regulation 19(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which have came into effect from 1st December, 2015.

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).

1. DEFINITIONS

a) **Board** means Board of Directors of the Company.

b) **Key Managerial Personnel** shall have the same meaning as given in Section 203 of the Companies Act, 2013 read with rules framed there under.

c) "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.

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

2. TERMS OF REFERENCE/ROLE OF COMMITTEE

The Terms of Reference of the Committee shall be:

a) 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.

b) 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.

c) 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

d) 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:

e) 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.

f) To formulate criteria for evaluation of every Director including Independent Director and the Board.

g) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation by the Board.

h) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and employees of Senior Management.

i) 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.

j) To devise a policy on Board diversity from time to time.

k) To develop a succession plan for the Board and to regularly review the plan;

3. 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 in 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.

4. STATUTORY POWERS OF THE COMMITTEE

a) 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.

b) Where in any financial year during the currency of tenure of a managerial person, 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.

5. 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.

6. CHAIRPERSON

a) The Chairperson of the Committee shall be an Independent Director.

b) In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one of the Independent Directors amongst them to act as Chairperson.

c) The Chairperson of the Nomination and Remuneration Committee shall endeavor to be present at the Annual General Meeting.

7. MISCELLENEOUS

a) 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.

b) The Committee may invite Executive Directors, functional heads and outside experts, as it considers appropriate, to be present at the meetings of the Committee.

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

ANNEXURE 9

Information as per Section 197 (12) of the Companies Act 2013 read with Companies (Partuculars of Employees) Amendment Rules, 2014

Sr No	Employe Name	Designation	Gross Remuneration	Nature of Employment	Qualification	Total Experience	Date of Commencement	Age	Last Employment held
1	Dr. Pramod Chaudhari	Executive Chiarman	4,75,66,845	Contractual	B. Tech. (Mech)	47	8th November 1985	70	Rapicut Carbides Ltd
2	Shishir Joshipura	CEO and MD	3,05,78,289	Contractual	B.E. (Mech)	37	2nd April 2018	58	SKF India Ltd
3	Sachin Raole	CFO and Director-Finance & Commercial	1,64,95,345	Contractual	B.Com. ACA, ACMA	26	14th July 2016	49	RPG Life Sciences Ltd
4	Sanjay Sapru	Executive Vice President	1,14,91,660	Regular	B.E. (Mech)	25	20th November 2014	48	SAB Miller India Ltd
5	Ghanashyam Deshpande	President	1,00,58,192	Contractual	M. E. (Chemical)	33	1st February 1990	56	Aker Solutions
6	S. Suresh Kumar	Executive Vice President	98,72,609	Regular	B. Tech. (Mech)	33	13th May 2011	56	MARG Ltd.
7	Dr. Pramod Kumbhar	President	95,36,623	Regular	M. E. (Chemical), Ph.D. in Chemical Engineering	28	5th July 2012	56	SI Group India Ltd.
8	Mallikarjun Navalgund	President	81,52,060	Contractual	B. Tech. (Chemical)	38	17th August 1987	61	Dhake Dyes & Chemicals Pvt Ltd
9	Atul Mulay	President	70,30,482	Contractual	DME. DMM	33	1st January 1985	56	N.A.
10	Sameer Kukade	President	68,09,286	Contractual	B. Com, Masters in Social Work, Diploma in HRD and Labour Laws	30	3rd September 2018	53	Lear Corporation

ANNEXURE 10
BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company : L27101PN1985PLC038031
2. Name of the Company : Praj Industries Ltd.
3. Registered address : "Praj Tower", S.No. 274 & 275/2, Bhumkar Chowk- Hinjewadi Road, Hinjewadi, Pune – 411 057.
4. Website : www.praj.net
5. E-mail id : info@ praj.net
6. Financial Year reported : 01.04.2019- 31.03.2020
7. Sector(s) that the Company is engaged in (industrial activity code-wise) - Manufacture of other Special- Purpose Machinery n.e.c. NIC Code of the Product/ Service : 28299
8. Three key products/services that the Company manufactures/provides (as in Balance sheet)
   a. Bioenergy Plants - 1st and 2nd Generation ethanol and renewable bio-gas that can substitute fossil fuels and promotes Sustainable Decarbonization through Circular Bio-Economy
   b. Engineering Businesses - Critical Process Equipment & Skids, Special Projects, Processes & Systems , Brewery Plants , Water and Wastewater Plants
   c. R & D
9. Total number of locations where business activity is undertaken by the Company
   a. Number of International Locations:

      Praj Industries Limited has business activity undertaken in 3 international locations. The major ones with sales & marketing, construction/ erection/ commissioning activities are in Thailand, Philippines and Office activities are in Houston, US.
   b. Number of National Locations:

      Praj Industries Limited has business activity undertaken in 3 offices i.e. Corporate office in Pune, North Office in Noida and Praj Hi Purity Systems Ltd office at Andheri, manufacturing activities in 3 Factories R & D in 2 Research Centers, 67 project sites, total 75 national locations as on 31 March 2020. Largest two of its manufacturing facilities are located at following places;

      1. S. no. 748, Sanaswadi, Pune-412307, Maharashtra, India

      3 EOU at 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.
10. Markets served by the Company – Local/State/National/International

    The Company serves both national and international markets.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR Mn.) :366.320
2. Total Turnover (INR Mn.) :9418.502
3. Total Profit After Taxes and OCI (INR Mn.) 635.314
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit Before Tax (%) :2%
5. List of activities in which expenditure in 4 above has been incurred:-
   (a) eradicating hunger, poverty.
   (b) promoting preventive health care.
   (c) promoting education
   (d) promoting gender equality.
   (e) ensuring environmental sustainability.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

   Yes. The Company has subsidiaries as on 31st March, 2020

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).

   Praj Industries' policies and codes of conduct, Vision, Mission and Values are applicable to all its subsidiaries who participate in its group –wide BR initiatives. Names of the 6 subsidiaries are given below with their locations.

   Praj HiPurity Systems Ltd., India,

   Praj Engineering & Infra Ltd., India

   Praj Far East Co. Ltd., Thailand,

   Praj Far East Philippines Ltd. Inc., The Philippines

   Praj Americas Inc., USA

   Praj Industries (Africa) (Pty.) Ltd, South Africa,

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

   Praj Industries Ltd. encourages its other entities/associates to participate in the BR initiatives of the Company. The percentage of the same is more than 60.

   There are 1265 Suppliers /Transporters collectively addressed as Business partners. All are registered and issued the Code of Conduct for suppliers. 890 have issued us undertaking/ self-certification regarding critical labor, safety and compliances. In addition, there are more than 145 business partners who have successfully undertaken Praj Green Certification that involves HSE as well as compliances and high ethical norms. Further, there are more than 250 suppliers with ISO certified QMS, 100 suppliers that have ISO certified Environment Management Systems and 75 suppliers who have ISO certified Health and Safety Management Systems. Based on these records, number of business partners participating in BR initiatives of the company will score in excess of 60 %.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

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

      1. Name : Mr. Sachin Raole

      2. DIN : 00431438

      3. Designation : CFO and Director – Finance & Commercial

   (b) Details of the BR head to confirm the details and change if necessary as per present status..

No.	Particulars	Details
1	DIN	00431438
2	Name	Mr. Sachin Raole
3	Designation	CFO and Director – Finance & Commercial
4	Telephone number	020- 71802000
5	e-mail id	sachinraole@praj.net

Principle-wise (as per National Voluntary Guidelines) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

P1	Business should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees

P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
P5	Businesses should respect and promote human rights
P6	Business should respect, protect and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

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

No.	Principle wise polices	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
About business responsibility policy The Board approved policies and codes of conduct to cover the National Voluntary Guidelines besides all applicable national and international regulations as well as International Norms of Behavior are captured in the policies articulated by Praj. In addition, they reflect the purpose and intent of the international standards such as ISO 26000, GRI – Global Reporting Initiative, TfS –Together for Sustainability and RSB – Roundtable on Sustainable Bio Materials. The certification by Internal Standards Organization for ISO 9001, ISO 14001 and ISO 45001and its updating is satisfactorily carried out over a period of decade. This demonstrates the seriousness of purpose behind the formation of the policies.										
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified Committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online.	http://www.praj.net/investorslounge/policies								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

Praj has established a system for improvement of significant aspects of Business Responsibility Principles. CEO and Members of the Board undertake broad planning of improvement of these significant aspects and release documented targets. Heads of all locations carry out detailed planning and initiate improvement as per these directions.

These are reviewed quarterly by the Head of the Divisions. CEO / Board undertake annual review and give feedback.

CEO and Board take care of any budgetary or policy needs that are necessary for the improvements planned.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company publishes Business Sustainability Report every year. The same can be accessed at www. Praj.net.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 - Business should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? (yes / no). Does it extend to the Group /Joint Ventures / Suppliers / Contractors / NGOs / Others?

   Yes. The Board approved Policies and Codes of Conduct serves as the ethical roadmap for all Praj Companies and Business Associates. All suppliers, partners and associates are expected to adopt and follow the Policies and Code of Conduct.

   There is a separate compliance certificate taken from Supply Chain members. As on 31 March 2020 more than 85 % vendors have given the undertaking and acknowledged the receipt of Code of Conduct. Above includes business partners handled by individual plants / project site location and Admin at various offices and factories.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   There were no stake holder complaints during Financial Year 2019-20 related to Ethics, Transparency and Accountability.

Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   Ethanol Plants, Breweries,

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

Sr No	Description of Impact*	Ethanol Plants		Brewery Plants	
		Unit	Details for FY 2019-20	Unit	Details for FY 2019-20
1	Energy consumption – steam	kgs / litre of product	up to 3.4	Kgs / Hectolitres of product	24.4
2	Energy consumption – electricity	kwh / litre of product	Up to 0.40	kwh / Hectolitres of product	8.6
3	Water consumption	Litres / litre of product	Up to 5.5	Litres / litre of product	1.9
4	Liquid effluent	Litres / litre of product	Nil	Litres / litre of product	3.4

3. Does the company have procedures in place for sustainable sourcing (including Transportation)? If yes, what percentage of your inputs was sourced sustainably? Also provide details thereof in about 50 words or so.

   Yes

   Praj considers Sustainable Sourcing as the integration of social, ethical and environmental performance factors into the process of selecting business partners. Praj considers that this restraint is needed to ensure that when we seek lower costs and greater production capacity, we do not expose ourselves to an ever wider array of risks. These risks include not only risk of supply disruption, cost volatility and compliance with local laws and regulations, but also in brand reputation.Praj therefore has made responsible sourcing an integral part of our procurement and supply chain management processes to understand and manage these risks.

   There is an elaborate program to cover our supply chain members including Transportation Vendors in our sustainability drive. The main parameters used for ensuring sustainable sourcing are i) Approvals and Registrations of Vendors, ii) Undertakings from Vendors, iii) Acceptance of Praj Vendor Code of Conduct iv) Green Purchase Initiative and v) basic ISO accreditations by vendors.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

The nature of Company's business is such that the sourcing has to be compulsorily done from supply chain partners with specific technical competencies and makes as specified by customers. However, wherever feasible, economic consideration of low transportation cost ensures procurement of goods and services from local & small producers

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

N.A

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5 to 10% and >10%). Also, provide details thereof, in about 50 words or so.

Recycling of waste arising in manufacturing process - Praj manufactures plants and machinery for bio-energy, chemical, water treatment, beer making industries. Equipment is mostly metallic and% of non-recyclable material is virtually nil. In the manufacturing process the scrap generation is under 6%. Scrap is sold to recycling vendors. The percentage of recycling of scrap is 100.

Recycling of product - The product being plant and machinery, its life cycle could be in decades. Even then, the metal characteristics do not change and the entire product can be disintegrated and reused or converted in to metallic scrap and sold to recyclers. Here again the percentage of recycling of product at the end of its life cycle is 100.

Principle 3 -Businesses should promote the well-being of all employees

1. Total number of permanent employees: 935
2. Total number of employees on temporary/contractual/casual basis: 540 [included projects sites and subsidiaries]
3. Number of permanent women employees: 119
4. Number of permanent employees with disabilities :5
5. Do you have an employee association that is recognized by management. :There is no employee association that is recognized by management
6. Percentage of permanent employees who are members of recognized employee association? Not Applicable
7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

   During the year, there were no cases of child labour/forced labour/involuntary labour. No discriminatory employment was reported and no complaints were received for sexual harassment.
8. Following is the Percentage of under mentioned employees who were given safety & skill up- gradation training in the last year

   (a) Permanent Employees Safety : 100 % & Skills: 85 %

   (b) Permanent Women Employees Safety: 100 % & Skill: 90 %

   (c) Casual/Temporary/Contractual Employees: Safety: 90% & Skill: 85%

   (d) Employees with Disabilities Safety: 100 % & Skill:100 %

Principle 4- Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

1. Has the company mapped its internal and external stakeholders?

   Yes, Company has mapped all its significant stake holders
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

   Yes - Company has identified certain groups of disadvantaged, vulnerable & marginalized stakeholders with the help of reputed NGOs and conducts CSR activities among them
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

   Praj has been implementing specific community development initiatives around our manufacturing and R&D units. These projects are based on the needs of the community. The selected interventions are sustainable, innovative and replicable. Some of the initiatives include Preventive Healthcare, Education and Skills development, Water resources Development & Biodiversity conservation.

Individuals working on project sites in India and abroad join in the Customer run CSR programs. At a time , on green field sites, they undertake programs such as cleaning , hygiene promotion , school renovation activities on their own.

Principle 5-Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

   Yes. The policy extends to the Company and its Subsidiaries. Efforts are made to implement the policy with company's Suppliers, Contractors, our own and associated Foundations and others with in our sphere of influence.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   There were no complaints received during the year.

Principle 6 - Business should respect, protect and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/ NGOs/others.

   Policy related to Environment applies to the Company and its Subsidiaries. As part of ISO 14001, it is subjected to rigorous assessment at our large engineering units. It is extended to Contractors working at our premises. Indirectly, the Company extends this policy to its Suppliers through Green Purchase Initiative and evaluation and re-evaluation of vendors on sustainability Principles. The policy is also extended to NGOs through environment support projects.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc. https://www.praj.net/business-lines/bio-energy/

   a) Large part of company's business is related to Ethanol which is blended in to petrol thus reducing the CO2 emissions. Bio-Gas plants built by us convert bio waste in to clean fuel that replaces fossil based fuels. Praj has supplied plants globally which are instrumental in reducing CO2 emissions.

      Company monitors its own carbon print for manufacture of plant and equipment, supply chain, its administration offices and construction work. During Fy 2019-20the Carbon Footprint has been 16402 MT as compared to 20000 MT during FY 2018-19. Ethanol making capacity generated during the period has potential to save CO2 ,70 times more than that generated by the Company

   b) Orders for the innovative Second Generation technology (2G Technology)are being processed from this year. This new technology uses agro waste such as sugarcane bagasse, wheat and rice stocks, corn cobs etc. which were hitherto burnt. 2G Technology is used to manufacture ethanol for blending in petrol.

   c) Technology for manufacture of Compressed Bio- Gas manufactured from agro waste is commercialized during the year.

   d) Also, water &waste water division of the Company deals with manufacture of systems for water recycling.

3. Does the company identify and assess potential environmental risks? Y/N

   Yes. Risks, mitigation strategies and contingency measures are reviewed and revised every year. Health, Safety and Environment team organizes multiple workshops for various functions.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   No.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for web page etc.

   The company constantly endeavors to reduce its carbon footprints through advancement in the areas of clean technology, energy efficiency and renewable energy. This is aptly spelt out in the vision statement of the Company which is as follows: "To make the world a better place". Company measures and monitors its own and its subsidiaries' carbon print and the result show a continual reduction/ kg of product manufactured.

   A summary of Fy 2019-20 carbon print generation is given below for ready reference.

   - carbon print from factories and R&D = 618MT
   - carbon print from business travel =3700MT
   - carbon print from Supply chain =6284MT

- carbon print from office operations and project sites [estimated] =800 MT
- Total carbon print for the organization = 16402 MT

On per kg product weight basis carbon print of manufacturing has been reducing.

6 Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes - The Emissions/Waste generated by the Company are within the permissible limits given by State / Central Pollution Control Boards for the financial year being reported.

7. Number of show cause / legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

(a) ePure : An association of stakeholders of fuel ethanol industry in European Union

(b) CII National Bioenergy Committee: Committee of Stakeholders for promotion of Bioenergy in India

(c) Petrofed: Association of Petroleum Companies

(d) Association of Bio Technology led Enterprises

(e) Indo-German Chamber of Commerce

(f) Distillers' Association of Maharashtra

(g) All India Biotech Association

(h) The Sugar Technologists' Association of India

(i) Federation Of Indian Chambers Of Commerce And Industry (FICCI)

(j) National Chemical Laboratory

(k) Process Plant & Machinery Association of India

(l) British Business Group

(m) Indo-American Chamber of Commerce

(n) Council of EU Chambers of Commerce in India

(o) Maratha Chamber of Commerce, Industries & Agriculture

(p) Deccan Sugar Technologists' Association

(q) Petroleum Federation of India

(r) National Alcohol Producers' Association

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas

Yes. As member of CII National Bioenergy Committee, the Company advocates use of bioenergy to mitigate GHG emissions. A policy document called Report on Bioenergy Sector, was also prepared enabling Sustainable Energy Access for India.

As a member of CII Affirmative Action Committee (Pune Zone council) the Company and other Committee members have taken initiative to create awareness regarding the importance of Affirmative Actions to enhance social stability and cohesion, which are necessary for business. As a result of this, many companies have embedded affirmative actions in their HR and business processes under four heads: Employability, Entrepreneurship, Education and Employment.

The CII Affirmative Action's Committee facilitates organising SC/ST vendor meet in collaboration with Dalit Chamber of Commerce & Industries (DCCI). Some of the vendors are part of our vendor community.

Principle 8 - Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

   Yes Praj has specific projects which support inclusive growth and equitable development

   These projects are based on the needs of the community. The selected interventions are sustainable, innovative and replicable. In fact many of the projects selected are complimentary to overall national agenda like Preventive Healthcare, Drinking Water & Sanitation, Education and Skills development, Water Resources Development, Protection of Environment and Biodiversity conservation.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

   The projects are undertaken through our own foundation as well as local NGO's

3. Have you done any impact assessment of your initiative?

   Yes, the impact assessment is periodically done for the long term projects where substantial impact on the community can be measured.

4. What is your company's direct contribution to community development projects- Amountin INR and the details of the projects undertaken.

   Rs. 14.048 Mn. Refer page No. 24 of Annual Report 2019-20

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   Yes.

   Company's project interventions were need based, cost effective leading to positive results in a short span. The interventions are implemented through reputed NGOs and monitored by team of internal experts. Extensive involvement of community in planning and implementation helped in capacity building as well as created ownership of the project.

   Through regular interaction with the community, positive impact created was shared with them to further enhance adoption level by the NGOs as well as our expert team.

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year:

   Around 10%

2. Does the company display product information on the product label, over and above what is mandated as per local laws

   N.A.

   Majority of your Company's products are customised and hence, this is not applicable. However, for Bio products, the Company displays product information on the product label as is mandated as per local laws.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

   No.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

   The Company does not have a connect with the end users of the product (s) produced in the plants and machinery [for ethanol plants, beer plants, chemical plants] and supplied. However, the Company carries out the Customer Satisfaction Survey on an annual basis.

ANNEXURE 11
DIVIDEND DISTRIBUTION POLICY

The equity shares of Praj Industries Limited (the 'Company') are listed on the BSE Ltd. (BSE) and National Stock Exchange of India limited (NSE), Mumbai. As per notification No. SEBI/ LAD-NRO/GN/2016-17/008, dtd. 8th July, 2016, SEBI has amended SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 by insertion of Regulation 43(A) which mandates that the top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) shall formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites.

Accordingly, the Board of Directors of the Company ("the Board"), in its meeting held on 20th October, 2016 has approved the Dividend Distribution Policy of the Company ('the Policy") which endeavors for fairness, consistency and sustainability while distributing profits to the shareholders.

The factors considered while arriving at the quantum of dividend(s) are:

- Current year profits and outlook in line with the development of internal and external environment.
- Operating cash flows and treasury position.
- Possibilities of alternate usage of cash, e.g. capital expenditure etc., with potential to create greater value for shareholders.
- 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.

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 Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (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, 2020, 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 judgement, were of most significance in our audit of Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be key audit matters to be communicated in our report.

1) Recognition of Revenue from Contracts with Customers

Description of Key Audit Matters

Revenue from Projects is recognized as per Ind-AS 115 on satisfaction of performance obligation overtime, where progress towards complete satisfaction of performance obligation is measured under Input Method. For the year ended 31st March 2020 project revenue recognized amounted to Rs. 8639.592 Mn, opening and closing Contracts in Progress amounted to Rs. 833.304 Mn and Rs. 761.386 Mn respectively.

Measuring of satisfaction of performance obligation under Input Method involves estimation of budget costs in respect of projects contracted and capturing of actual costs incurred against such projects. As the revenue is recognized in proportion of project costs incurred to the total budgeted cost, inaccurate capturing of costs incurred as well as inaccurate budget estimates would result in incorrect recognition of revenue.

Description of Auditors' Response

We have performed the following processes in relation to the accuracy of revenue recognized and accrued:

a) Understood, evaluated and tested key controls over the 'Statement of Revenue Recognition', which is a statement prepared in which data related to Contract price, Budgeted costs, Progressive billings raised and Percentage completion of contract is captured and on the basis of which proportionate revenue is recognized under Input Method.

b) Tested on sample basis the process of estimation of budget costs of the projects which are considered in 'Statement of Revenue Recognition'.

c) Checked on sample basis contract values considered in 'Statement of Revenue Recognition' from the approved contracts with the Customers.

d) Tested on sample basis the process of capturing of costs in 'Statement of Revenue Recognition' with respect to the projects in process.

e) Verified revenue to be recognized for the year under audit from ‘statement of Revenue Recognition’

Our Audit process did not identify any material incorrect Recognition of Revenue.

2) Trade Receivables

Description of Key Audit Matters

Trade Receivables, net of impairment allowance, amounts to Rs. 2657.180 Mn as on 31st March 2020, which constitutes about 25% of the total Assets of the Company. Impairment provision carried in the books as on 31st March 2020 is Rs. 897.934 Mn.

Management's judgment is involved in identifying impairment in the value of the receivable as well as in formulating a policy for creating provisioning against impairment which has an adverse effect on the profits of the Company.

Description of Auditors' Response

We have performed the following processes in relation to Management's Judgment in identification of impairment of value of Receivables and adequacy of impairment provision:

a) We have referred to the defined policy in place stipulating the methodology of making impairment provision in respect of overdue Receivable amounts. We have also reviewed age-wise analysis in respect of Receivables and ensured that the provisioning is made according to such policy. The above referred provisioning policy stipulates different provisioning norms for Receivables with confirmations and without confirmations

b) We have sought information and explanations from the Project Heads regarding the status of receivable for the purpose of ensuring adequate impairment provisions.

c) We have also tested subsequent collections made from the overdue receivables.

Our Audit process did not identify any material inadequate provisioning for impairment in the value of Receivables.

3) Investment in Subsidiaries

Description of Key Audit Matters

In terms of option of Deemed Cost as per Ind-AS 101 ‘First Time Adoption of Indian Accounting Standards’ the Company has valued its investments in Subsidiaries amounting to Rs. 1673.234 Mn as on 31st March 2020 at cost. Provision for impairment as on 31st March 2020 is Rs. 97.558 Mn.

As per Ind-AS 36 ‘Impairment of Assets’ Management has to assess at the end of each reporting period whether there is any indication that an Asset may be impaired and if such indication exists the Management has to estimate the recoverable amount and compare the same with the carrying amount of the investment in order to identify an impairment loss. Impairment loss, if any, has to be recognized immediately in the Statement of Profit and Loss.

Description of Auditors' Response

We have performed the following processes in relation to Management's Judgment in identification of impairment of value of Investment in Subsidiaries :

a) We have obtained representation from the Management regarding indication of likely impairment loss in respect of Investments made in Subsidiaries and process of estimation of recoverable amount. During the year the management has identified impairment in value of investment in one of the subsidiaries and made provision for impairment amounting to Rs. 97.558 Mn.

b) In case of a Subsidiary having material value under Investment, in respect of which no observable inputs were available, we have referred to the valuation obtained by the Management from the independent valuer regarding its Value in Use and tested and discussed the assumptions used in the process of valuation with the management to ensure that no impairment provision against the same is required.

Our Audit process did not identify any requirement of provisioning for impairment in the value of Investment in Subsidiaries other than the investment in subsidiary against which the provision has been made.

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 AS 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.

Auditors' Responsibilities for the Audit of the Standalone AS 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our 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, 2016 ("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 Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Standalone Financial Statements comply with the 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.

   g) As required by section 197 (16) of the Act; in our opinion and according to information and explanation provided to us, the remuneration paid by the Company to its directors is in accordance with the provisions of section 197 of the Act and remuneration paid 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 28

      (ii) The Company did not have any long-term contracts including derivative contracts as at 31st March, 2020 for which there were any material foreseeable losses for which provision was required.

      (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **M/s P G Bhagwat**
Chartered Accountants
Firm Registration Number: 101118W

Sandeep Rao
Partner
Membership Number: 47235
UDIN: 20047235AAAABI4122

Pune: 26th May 2020

Annexure A to 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) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and as informed to us, no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the financial statements, are held in the name of the Company.

ii. Physical verification of inventory has been conducted at reasonable intervals by the management during the current year. In our opinion, the interval of such verification is reasonable. Discrepancies noticed on physical verification of inventory were not material and the same have been properly dealt with in the books of account.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii) (a), (iii) (b) and (iii) (c) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it, wherever applicable.

v. The Company has not accepted any deposits from public within the meaning of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed there under to the extent notified. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and 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 the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, Goods and Service Tax, cess and other material statutory dues, as applicable, with the appropriate authorities. According to the information and explanation provided to us, no undisputed amounts payable in respect of statutory dues were in arrears as at March 31, 2020, for a period more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, service-tax, duty of customs, duty of excise, value added tax, Goods and Service Tax which have not been deposited on account of any dispute. The particulars of dues of Sales tax and Income tax as at balance sheet date which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount Rs. Mn	Period to which the amount relates	Forum where the dispute is pending
Sales tax laws	Demand as per Sales Tax Assessment	20.17	F.Y. 2010-11	Joint Commissioner (Appeals)
Sales tax laws	Demand as per Sales Tax Assessment	166.62	F.Y. 2006-07, 2007-08, 2008-09, 2009-10 and 2011-12	Maharashtra Sales Tax Tribunal, Mumbai
Income Tax	Demand as per Assessment	1.153	A.Y. 2015-16	ITAT, Pune

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government. The company does not have any debentures holders.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees nor have we been informed of such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Ind AS 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Refer Note No.31.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **M/s P G Bhagwat**
Chartered Accountants
Firm's Registration Number: 101118W

Sandeep Rao
Partner
Membership Number: 47235
UDIN: 20047235AAAABI4122

Pune: 26th May 2020

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

Under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Praj Industries Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M/s P G Bhagwat**
Chartered Accountants
Firm's Registration Number: 101118W

Sandeep Rao
Partner
Membership Number: 47235
UDIN: 20047235AAAABI4122

Pune: 26th May 2020

Balance Sheet as at 31st March 2020

(All amounts are in Indian rupees million unless otherwise stated)

Particulars	Note no.	31 March 2020	31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	**1962.508**	1949.549
Capital work-in-progress	3	**20.795**	22.254
Investment property	3	**136.928**	136.928
Intangible assets	3	**7.609**	8.080
Financial assets			
Investments	4	**1973.735**	2121.284
Loans	5	**49.511**	40.520
Others	6	**60.710**	200.020
Deferred tax assets (net)	26	**126.432**	53.842
Other assets	7	**21.895**	36.420
		4360.123	**4568.897**
Current assets			
Inventories	8	**728.621**	1041.889
Financial assets			
Investments	4	**1150.090**	1624.000
Trade receivables	9	**2657.179**	2277.644
Cash and cash equivalents	10	**215.788**	336.175
Other bank balances	11	**15.224**	211.527
Loans	5	**0.141**	1.579
Others	6	**42.488**	66.840
Current tax asset (net)		**32.099**	37.460
Other assets	7	**1425.411**	1500.642
		6267.041	**7097.756**
TOTAL ASSETS		**10627.164**	**11666.653**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	**366.320**	365.296
Other equity	13	**6677.197**	6996.350
TOTAL EQUITY		**7043.517**	**7361.646**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Other financial liabilities	17	**138.918**	-
Provisions	15	**161.587**	150.256
		300.505	150.256
Current liabilities			
Financial liabilities			
Trade payables	16	**1492.454**	1890.181
Other financial liabilities	17	**137.584**	143.506
Other current liabilities	18	**1596.234**	2007.302
Provisions	15	**56.870**	113.762
		3283.142	**4154.751**
TOTAL LIABILITIES		**3583.647**	**4305.007**
TOTAL EQUITY AND LIABILITIES		**10627.164**	**11666.653**
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 **M/s P.G. Bhagwat**
Chartered Accountants
Firm Regn No: 101118W

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

Sandeep Rao
Partner
Membership No.: 47235

Dr. Pramod Chaudhari
Executive Chairman
(DIN : 00196415)

Shishir Joshipura
CEO and Managing Director
(DIN : 00574970)

Sachin Raole
CFO and Director - Finance & Commercial
(DIN : 00431438)

Place: Pune
Date: 26 May 2020

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

Statement of profit and loss for the year ended 31st March 2020

(All amounts are in Indian rupees million unless otherwise stated)

Particulars	Note no.	31 March 2020	31 March 2019
INCOME			
Revenue from operations	19	**9418.502**	9232.739
Other income	20	**337.792**	283.771
Total income		**9756.294**	**9516.510**
EXPENSES			
Cost of materials consumed	21	**4789.573**	5058.812
Changes in inventories of finished goods and work-in-progress	22	**16.352**	(26.560)
Employee benefits expense	23	**1338.656**	1323.984
Finance costs	24	**24.455**	6.833
Depreciation and amortisation expense	3	**187.999**	199.906
Other expenses	25	**2526.227**	2144.297
Total expenses		**8883.262**	**8707.272**
Profit before exceptional items and tax		**873.032**	809.238
Exceptional items- Impairment of investment in subsidiary		**97.558**	-
Profit before tax		**775.474**	**809.238**
Tax expense	26		
Current tax		**173.400**	158.500
Deferred tax		**(44.952)**	26.680
Adjustments of tax relating to earlier periods		**(0.087)**	-
Total tax expense		**128.361**	**185.180**
Profit for the year		**647.113**	**624.058**
Other comprehensive income			
Items that will not be reclassified to profit and loss:			
Re-measurement of defined benefit plans		**(18.133)**	6.832
Income tax effect		**6.336**	(2.388)
Other comprehensive income		**(11.797)**	4.444
Total comprehensive income for the year		**635.316**	**628.502**
Earnings per equity share (Nominal value per share INR 2 each)	27		
Basic		**3.54**	3.43
Diluted		**3.53**	3.42
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 **M/s P.G. Bhagwat**
Chartered Accountants
Firm Regn No: 101118W

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

Sandeep Rao
Partner
Membership No.: 47235

Dr. Pramod Chaudhari
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Shishir Joshipura
CEO and Managing Director
(DIN : 00574970)

Sachin Raole
CFO and Director - Finance & Commercial
(DIN : 00431438)

Place: Pune
Date: 26 May 2020

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

Cash Flow Statement for the year ended 31st March 2020

(All amounts are in Indian rupees million unless otherwise stated)

		31 March 2020	31 March 2019
A.	Cash flow from operating activities		
	Net profit before tax	**775.474**	809.238
	Adjustments for:		
	Loss / (profit) on sale of property, plant and equipment	**-**	0.698
	Gain on redemption of mutual fund investments	**(38.148)**	(105.306)
	Gain on redemption of bonds	**(4.315)**	-
	Bad debts / provision for doubtful debts and advances	**171.808**	168.041
	Excess provision / creditors written back (including advances)	**(1.092)**	(5.076)
	Unrealised foreign exchange (gain) / loss (net)	**(2.264)**	(38.425)
	Depreciation and amortisation	**187.999**	199.906
	Interest earned	**(88.125)**	(64.522)
	Provision for Impairment	**97.558**	-
	Unrealised gain on mutual fund investments	**(71.182)**	(20.477)
	Dividend from mutual fund investments / Subsidiary	**(54.749)**	(0.061)
	Interest on Lease Liability	**18.357**	-
	Interest expense	**0.007**	0.014
	Equity-settled share-based payment transactions	**13.765**	29.986
	Operating profit before working capital changes	**1005.093**	**974.016**
	Changes in working capital		
	Decrease/ (increase) in trade receivables	**(514.927)**	(611.688)
	(Increase)/decrease in inventories (including contracts in progress)	**508.522**	(822.828)
	(Increase)/decrease in non-current loans	**(8.991)**	1.706
	(Increase)/decrease in other non-current financial assets	**139.310**	(200.000)
	Decrease/(increase) in other non-current assets	**(1.282)**	3.138
	Decrease/(increase) in current loans	**1.438**	(0.873)
	(Increase)/decrease in current financial assets-others	**(0.075)**	(0.434)
	Decrease/(increase) in other current assets	**131.029**	(182.034)
	(Decrease)/increase in trade payables	**(411.879)**	564.919
	(Decrease)/increase in other current financial liabilities	**(69.818)**	46.575
	(Decrease)/increase in other current liabilities	**(411.068)**	400.523
	(Decrease)/Increase in long term provisions	**(6.802)**	4.909
	(Decrease)/Increase in short term provisions	**(56.891)**	37.483
	Cash generated from operations	**303.659**	**215.412**
	Direct taxes paid (including taxes deducted at source), net of refunds	**(167.952)**	(172.305)
	NET CASH FROM OPERATING ACTIVITIES	**135.707**	**43.107**

(All amounts are in Indian rupees million unless otherwise stated)

		31 March 2020	31 March 2019
B.	**Cash flow from investing activities**		
	Purchase of property, plant and equipment and intangible assets	**(60.533)**	(118.681)
	Investments:		
	- in mutual funds	**(650.000)**	(1395.300)
	- in debentures & bonds	**-**	(348.100)
	Sale of investments		
	- in mutual funds	**1183.231**	1885.833
	- in debentures and bonds	**54.315**	-
	Proceeds from sale of property, plant and equipment	**2.912**	2.891
	Interest received on investments	**91.954**	37.298
	Dividend received on investments/ from subsidiary	**-**	0.061
	(Investment) /redemption in fixed deposits	**50.000**	(100.000)
	NET CASH FROM / (USED) IN INVESTING ACTIVITIES	**671.879**	**(35.998)**
C.	**Cash flow from financing activities**		
	Proceeds from exercise of employee stock options	**25.610**	88.905
	Dividend paid including dividend distribution tax	**(949.458)**	(463.283)
	(Decrease)/Increase in short term borrowings	**(0.410)**	(0.410)
	Interest on Lease Liability	**(18.357)**	-
	Principal payment on Leases	**(21.113)**	-
	Interest paid	**(0.007)**	(0.014)
	NET CASH FROM / (USED) IN FINANCING ACTIVITIES	**(963.735)**	**(374.802)**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(156.149)**	**(367.693)**
	Cash and cash equivalents at the beginning of the year (Refer Note 10)	**336.175**	**676.879**
	Add: effect of exchange rate changes on cash and cash equivalents	**35.762**	**26.989**
	Cash and cash equivalents at the end of the year (Refer Note 10)	**215.788**	**336.175**
	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 **M/s P.G. Bhagwat**
Chartered Accountants
Firm Regn No: 101118W

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

Sandeep Rao
Partner
Membership No.: 47235

Dr. Pramod Chaudhari
Executive Chairman
(DIN : 00196415)

Shishir Joshipura
CEO and Managing Director
(DIN : 00574970)

Sachin Raole
CFO and Director - Finance & Commercial
(DIN : 00431438)

Place: Pune
Date: 26 May 2020

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

Statement of changes in equity for the year ended 31st March 2020

(All amounts are in Indian rupees million unless otherwise stated)

A. Equity share capital

Balance as on 1 April 2018	Changes in equity share capital during the year	Balance as on 31 March 2019
361.865	3.431	365.296
Balance as on 1 April 2019	**Changes in equity share capital during the year**	**Balance as on 31 March 2020**
365.296	1.024	366.320

B. Other equity

Particulars	Reserves and Surplus							
	Capital Reserve	Securities Premium Reserve	Other Reserves				General reserve	Retained earnings
			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 2018	**0.033**	**815.401**	**14.627**	**3.063**	**40.954**	**71.548**	**956.511**	**4968.670**
Profit for the year								624.058
Other comprehensive income								4.444
Dividends (including dividend distribution tax)								(464.507)
Employee stock options exercised during the year		121.764			(36.290)			
Equity settled share based payment to employees					29.986			
Employee stock options expired and transferred to/from statement of profit and loss					(9.058)			9.058
Adjustments to Opening Retained Earnings - Ind AS 115								(153.912)
Transfer to Special Economic Zone Re-investment Reserve						61.400		(61.400)
Balance as at 31 March 2019	**0.033**	**937.165**	**14.627**	**3.063**	**25.592**	**132.948**	**956.511**	**4926.411**
Balance at the beginning of the reporting period as at 1 April 2019	**0.033**	**937.165**	**14.627**	**3.063**	**25.592**	**132.948**	**956.511**	**4926.411**
Profit for the year								647.113
Other comprehensive income								(11.797)
Dividends (including dividend distribution tax)								(953.162)
Employee stock options exercised during the year		40.141			(15.555)			
Equity settled share based payment to employees					13.766			
Employee stock options expired and transferred to/from statement of profit and loss					(4.305)			4.305
Adjustments to Opening Retained Earnings - Ind AS 116								(39.659)
Transfer to Special Economic Zone Re-investment Reserve						159.500		(159.500)
Balance as at 31 March 2020	**0.033**	**977.306**	**14.627**	**3.063**	**19.498**	**292.448**	**956.511**	**4413.711**

Notes to the financial statements for the year ended 31st March 2020

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 financial statements were authorised for issue by the Board of Directors on 26 May 2020.

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	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 26
- Estimation of defined benefit obligation – Note 33
- Recognition of revenue – Note 29
- Recognition of deferred tax assets for carried forward tax losses – Note 26
- Impairment of trade receivables – Note 41

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:

Notes to the financial statements for the year ended 31st March 2020

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.

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 fair value of the consideration received or receivable. Amounts included in revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes, goods and services tax 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.

Notes to the financial statements for the year ended 31st March 2020

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 / Focus Market Scheme (FMS) / Focus Product Scheme (FPS) / Merchandise Exports Incentive Scheme (MEIS) 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 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.

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.

Notes to the financial statements for the year ended 31st March 2020

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.

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

Notes to the financial statements for the year ended 31st March 2020

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 41 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.

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

Exposure draft on amendments to following standards have been issued by the Institute of Chartered Accountants of India:

1. Ind AS 40, "Investment Property"
2. Ind AS 1 "Presentation of Financial Statements" and Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"
3. Ind AS 103, "Business Combinations"
4. Ind AS 109, "Financial Instruments" and Ind AS 107, "Financial Instruments: Disclosure"

However, such exposure drafts have not been notified by the Ministry of Corporate Affairs ('MCA') to be applicable from 1 April, 2020 as at the date of approval of these financial statements.

Details of the amendments:

Amendment to existing standards:

1. Amendments to Ind AS 40, Investment Property

The exposure draft on amendments to Ind AS 40 issued by the Institute of Chartered Accountants of India proposes to reinstate the fair value option thereby providing the entities an accounting policy choice to subsequently measure investment properties using either the cost model or the fair value model.

The amendments are proposed to be effective for annual reporting periods beginning on or after 1 April 2020.

2. Amendments to Ind AS 1 "Presentation of Financial Statements" and Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"

The exposure draft on amendments to Ind AS 1 and Ind AS 8 issued by the Institute of Chartered Accountants of India proposes to amended the definition of the term "Material" and to use a consistent definition of materiality throughout Indian Accounting Standards and the Conceptual Framework for Financial Reporting.

The amendment clarifies when information is material. In particular, the amendments clarify:

- that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
- the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

The amendments are proposed to be effective for reporting periods beginning on or after 1 April 2020.

3. Amendments to Ind AS 103, Business Combinations

The exposure draft on amendments to Ind AS 103 issued by the Institute of Chartered Accountants of India proposes to amend the definition of "Business". Proposed guidance provides that an acquisition should include an input and a substantive process that together significantly contribute to the ability to create outputs.

Notes to the financial statements for the year ended 31st March 2020

The new guidance provides a framework to evaluate when an input and a substantive process are present (including for early stage companies that have not generated outputs). To be a business without outputs, there will now need to be an organised workforce.

It is no longer necessary to assess whether market participants are capable of replacing missing elements or integrating the acquired activities and assets and base the assessments on what has been acquired in its 'current state and condition'. The amendment also provides for an 'optional test', where substantially all of the fair value of gross assets is concentrated in a single asset (or group of similar assets), the assets acquired would not represent a business.

The amendments are proposed to be effective for reporting periods beginning on or after 1 April 2020.

4. Amendments to Ind AS 109, Financial Instruments and Ind AS 107 Financial Instruments: Disclosures

Interest Rate Benchmark Reform

The exposure draft on amendments to Ind AS 109 and Ind AS 107 issued by the Institute of Chartered Accountants of India proposes amendments to modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the Inter Bank Offer Rate (IBOR) reforms.

Additionally, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

New Standards issued –

1. Indian Accounting Standard (Ind AS) 117, Insurance Contracts

The exposure draft of Ind AS 117 was issued by the Institute of Chartered Accountants of India as replacement for Ind AS 104 Insurance Contracts. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of:

- discounted probability-weighted cash flows
- an explicit risk adjustment, and
- a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period.

The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under Ind AS 109.

An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers.

There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is

included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model.

The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

The new standard is proposed to be effective for reporting periods beginning on or after 1 April 2020.

Notes to the financial statements for the year ended 31st March 2020

(All amounts are in Indian rupees million unless otherwise stated)

3 Property, plant and equipment, capital work-in-progress, investment property and intangible assets

	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								
Gross block															
As at 1 April 2019	11.000	230.705	363.850	1275.269	1444.024	273.500	-	54.209	225.888	3878.445	93.753	93.402	187.155	136.928	4202.528
Additions during the year	-	13.250	-	2.845	49.191	8.984	12.916	-	0.436	87.622	-	3.093	3.093	-	90.715
Deletions during the year	-	-	-	-	9.211	-	-	-	-	9.211	-	-	-	-	9.211
As at 31 March 2020	**11.000**	**243.955**	**363.850**	**1278.114**	**1484.004**	**282.484**	**12.916**	**54.209**	**226.324**	**3956.856**	**93.753**	**96.495**	**190.248**	**136.928**	**4284.032**
Accumulated depreciation and amortisation															
As at 1 April 2019	0.759	118.021	-	280.431	966.523	252.062	-	19.902	178.514	1816.212	91.224	87.851	179.075	-	1995.287
Charge for the year	0.123	21.487	-	41.359	90.638	11.239	1.070	6.363	12.156	184.435	0.540	3.024	3.564	-	187.999
Depreciation on deletions	-	-	-	-	6.299	-	-	-	-	6.299	-	-	-	-	6.299
As at 31 March 2020	**0.882**	**139.508**	**-**	**321.790**	**1050.862**	**263.301**	**1.070**	**26.265**	**190.670**	**1994.348**	**91.764**	**90.875**	**182.639**	**-**	**2176.987**
Net carrying value															
As at 31 March 2020	10.118	104.447	363.850	956.324	433.142	19.183	11.846	27.944	35.654	1962.508	1.989	5.620	7.609	136.928	2107.045
As at 31 March 2019	10.241	-	363.850	994.838	477.501	21.438	-	34.307	47.374	1949.549	2.529	5.551	8.080	136.928	2094.557

Note:

1. The land has been taken on a long term lease i.e. for 99 years.

2. Refer Note 28 for contractual commitments for the acquisition of property plant and equipment.

Notes to the financial statements for the year ended 31st March 2020

(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

Particulars	31 March 2020	31 March 2019
Balance at start of the year	**22.254**	41.699
Add: Additions during the year	**18.475**	20.855
Less: Capitalised during the year	**19.934**	40.300
Balance at the end of the year	**20.795**	22.254

Capital work-in-progress (CWIP) comprises of:

a. Building INR 0.847 million (31 March 2019 INR 0.847 million)

b. Machinery INR 19.948 million (31 March 2019 INR 21.407 million)

Investment property: Reconciliation of Fair Value

Particulars	Land
Fair value as at 31 March 2019	**369.136**
Fair value difference	**18.457**
Fair value as at 31 March 2020	**387.593**

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.

(All amounts are in Indian rupees million unless otherwise stated)

		31 March 2020	31 March 2019
4	**Investments**		
	Non-current investments		
	(i) Trade investments		
	Unquoted equity investments		
	Investments in subsidiaries (valued at cost)		
	Praj Engineering & Infra Limited	**5.359**	5.359
	308,750 (31 March 2019 : 308,750) equity shares of INR 10 each fully paid		
	Praj Far East Co., Limited	**6.125**	6.125
	19,598 (31 March 2019 : 19,598) equity shares of Thai Baht 100 each fully paid and 78,400 (31 March 2019 : 78,400) equity shares of Thai Baht 100 each partly paid		
	Praj Americas Inc.	**9.281**	9.281
	40,000 (31 March 2019 : 40,000) equity shares of US Dollar 5 each fully paid		
	Praj HiPurity Systems Limited	**1536.743**	1536.743
	5,000,000 (31 March 2019: 5,000,000) equity shares of INR 10 each fully paid		
	Praj Industries (Africa) Pty Limited	**104.558**	104.558
	125 equity shares at no par value (31 March 2019 : 125)		
	Praj Far East Philippines Ltd Inc.	**11.167**	11.167
	8,313,281 equity shares of 1 PHP each (31 March 2019 : 8,313,281)		
	Praj Industries Namibia	**-**	0.001
	Nil equity shares of 1 Namibian Dollar each (31 March 2019 : 100)		
	Total	**1673.233**	1673.234
	Less: Provision for Impairmanet	**97.558**	
		1575.675	1673.234
	(ii) Investments at amortised cost		
	Quoted investments in non-convertible debentures / bonds:		
	300 Bonds issued by HDFC Bank Limited Unsecured Non-Convertible Perpetual Bonds	**300.210**	300.210
	Series 1/2017-18, Coupon 8.85% (31 March 2019 : 300)		
	100 Bonds issued by SBI Bank Unsecured Non-Convertible Perpetual Bonds	**97.850**	97.850
	Series IV, Coupon 8.15% (31 March 2019 : 100)		
	Total	**398.060**	398.060
	(iii) Investments at fair value through profit and loss (FVTPL)		
	Quoted investments in non-convertible debentures / bonds:		
	Nil Non-convertible Debentures issued by Citicorp Finance (India) Limited	**-**	49.990
	Series-2019/02/726 (31 March 2019 : 500)		
	Total	**-**	49.990
	Total non-current	**1973.735**	2121.284
	Current investments		
	(i) Investments at fair value through profit and loss (FVTPL)		
	Quoted mutual funds		
	ADITYA BIRLA SUN LIFE FMP SR-SI 1141 DAYS - 30,00,000 Units (31 March 2019 : 30,00,000 Units)	**33.402**	30.385
	ADITYA BIRLA SUN LIFE FMP SR-Sl 1120 DAYS - 5,000,000 Units (31 March 2019 : 5,000,000 Units)	**55.149**	50.156
	DSP FMP S 220 - 40 M - DIRECT GW - 5,000,000 Units (31 March 2019 : 5,000,000 Units)	**59.313**	54.386

Notes to the financial statements for the year ended 31st March 2020

(All amounts are in Indian rupees million unless otherwise stated)

	31 March 2020	31 March 2019
FRANKLIN INDIA SAVINGS FUND RETAIL-GW - 2,862,420.019 Units (31 March 2019 : Nil Units)	**105.912**	-
FRANKLIN IND SAVING FUND-DIRECT - 1,344,892.234 Units (31 March 2019 : Nil Units)	**50.989**	-
HDFC FMP 1133 DAYS DIRECT GR SR-44 - 5,000,000 Units (31 March 2019 : 5,000,000 Units)	**55.742**	50.686
HSBC FTS 128 -GROWTH DIRECT PLAN - 1106 DAYS -5,000,000 Units (31 March 2019 : 5,000,000 Units)	**61.468**	57.108
ICICI FIXED MATURITY PLAN SRS 82 - 1185 DAYS - 5,000,000 Units (31 March 2019 : 5,000,000 Units)	**59.496**	54.511
ICICI FIXED MATURITY PLAN SRS 82 - 1135 DAYS - 5,000,000 Units (31 March 2019 : 5,000,000 Units)	**58.936**	54.023
ICICI PRUDENTIAL ULTRA SHORT TERM FUND-GRW - 2,673,868.285 Units (31 March 2019 : 2,673,868.285 Units)	**54.456**	50.484
INVESCO INDIA ACTIVE INCOME FUND-DIR PL-GW - 24,862.734 Units (31 March 2019 : 24,862.734 Units)	**59.859**	54.434
KOTAK FMP SERIES 267 DIRECT GW - 5,000,000 Units (31 March 2019 : 5,000,000 Units)	**55.127**	50.000
RELIANCE FIXED HORIZON FUND-XXXV-SR14 - 5,000,000 Units (31 March 2019 : 5,000,000 Units)	**59.561**	54.612
RELAINCE FIXED HORIZON-XXXVII-SR04 - 5,000,000 Units (31 March 2019 : 5,000,000 Units)	**60.297**	54.700
SBI DEBT FUND SERIES - C - 8(1175 DAYS)-DG - 5,001,814.194 Units (31 March 2019 : 5,001,814.194 Units)	**59.342**	54.470
TATA FIXED MATURITY PLAN SRS 53 SCHEME A - 5,000,000 Units (31 March 2019 : 5,000,000 Units)	**58.970**	53.979
UTI - FIXED TERM INCOME FUND SRS XXIX (1112 DAYS) - 5,000,000 Units (31 March 2019 : 5,000,000 Units)	**52.071**	53.238
ABSL SAVINGS FUND - GROWTH - REGULAR PLAN - Nil Units (31 March 2019 : 289,924 Units)	**-**	107.022
DSP BANKING AND PSU DEBT FUND - REG - GW - Nil Units (31 March 2019 : 3,344,369.754 Units)	**-**	52.771
FRANKLIN INDIA ULTRA SHORT BOND FUND GW- Nil Units (31 March 2019 : 6,195,013.627 Units)	**-**	162.736
HDFC CORPORATE BOND FUND - GW - Nil Units (31 March 2019 : 2,630,249.979 Units)	**-**	54.737
KOTAK MONEY MARKET SCHEME-GRW-REG PLAN - Nil Units (31 March 2019 : 16413.422 Units)	**-**	50.502
L&T SHORT TERM OPPORTUNITIES FUND-GW - Nil Units (31 Mar 2019 : 3,064,326.338 Units)	**-**	54.697
RELIANCE FIXED HORIZON FUND-XXXI-SR9 - Nil Units (31 March 2019 : 5,000,000 Units)	**-**	60.499
SBI ARBITRAGE OPPORTUNITIES FUND-REG GW - Nil Units (31 March 2019 : 2,125,281.068 Units)	**-**	51.012
SBI MAGNUM ULTRA SHORT BOND FUND - REG GW - Nil Units (31 March 2019 : 12,750.972 Units)	**-**	52.852
Total	**1000.090**	1424.000

(All amounts are in Indian rupees million unless otherwise stated)

		31 March 2020	31 March 2019
	(ii) Investments at amortised cost		
	Unquoted investments:		
	Deposit with Bajaj Finance Limited	**150.000**	200.000
	Total current	**1150.090**	1624.000
	Total Investments	**3123.825**	3745.284
	Aggregate book value of quoted investments	**1398.150**	1872.050
	Aggregate market value of quoted investments	**1393.563**	1868.150
	Aggregate book value of unquoted investments	**1725.675**	1873.234
5	**Loans**		
	Non-current		
	Security deposits		
	Unsecured considered good	**49.511**	40.520
		49.511	40.520
	Current		
	Security deposits		
	Unsecured considered good	**0.141**	1.579
		0.141	1.579
	Total Loans	**49.652**	42.099
	No loans are due from directors or other officers of the Company either severally or jointly with any other person. Nor any loans are due from firms or private companies respectively in which any director is a partner, a director or a member.		
6	**Other financial assets**		
	Non-current		
	Deposits with banks with an original maturity of more than 12 months	**60.710**	200.020
		60.710	200.020
	Current		
	Advances to subsidiaries	**8.030**	7.955
	Foreign exchange forward contracts	**-**	20.599
	Interest accrued on fixed deposits and bonds	**34.458**	38.286
		42.488	66.840
	Total other financial assets	**103.198**	266.860

Notes to the financial statements for the year ended 31st March 2020

(All amounts are in Indian rupees million unless otherwise stated)

		31 March 2020	31 March 2019
7	**Other assets**		
	Non-current		
	Capital advances	**5.880**	8.437
	Prepaid expenses	**4.981**	16.949
	Others	**11.034**	11.034
		21.895	36.420
	Current		
	Contracts in progress (Refer Note 29)	**1009.190**	1204.444
	Advances to suppliers	**221.452**	142.159
	Balances with Indirect tax authorities	**51.322**	36.901
	Prepaid expenses	**13.687**	27.154
	Amounts receivable in cash or kind	**129.760**	89.984
		1425.411	1500.642
	Total Other assets	**1447.306**	1537.062
8	**Inventories (valued at lower of cost and net realisable value)**		
	Raw materials	**600.531**	897.447
	Work in progress	**96.151**	116.764
	Finished goods	**31.939**	27.678
		728.621	1041.889

Note: Write-down of inventories to net realizable value amounted to INR 3.850 (31 March 2019: INR 5.269). These were recognized as an expense during the year and included in 'Cost of materials consumed'.

		31 March 2020	31 March 2019
9	**Trade Receivables**		
	Current		
	- **From related parties**		
	Unsecured, considered good	**1.278**	36.437
	- **From others**		
	Unsecured, considered good	**2655.901**	2241.207
	Unsecured, considered doubtful	**897.934**	769.814
		3555.113	3047.458
	Less: Impairment allowance (allowance for bad and doubtful debts)	**897.934**	769.814
		2657.179	2277.644
	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		
10	**Cash and cash equivalents**		
	Balances with banks		
	On current accounts	**145.735**	247.046
	Deposits with original maturity of less than 3 months	**69.090**	88.557
	Cash on hand	**0.963**	0.572
		215.788	336.175

(All amounts are in Indian rupees million unless otherwise stated)

		31 March 2020	31 March 2019
11	**Other bank balances**		
	Unclaimed dividend account	15.224	11.527
	Deposits with maturity for more than 3 months but less than 12 months	-	200.000
		15.224	211.527

		31 March 2020	31 March 2019
12	**Equity Share Capital**		
	Authorised shares		
	450,000,000 (31 March 2019: 450,000,000) equity shares of INR 2 each	**900.000**	900.000
	Issued, subscribed and fully paid-up shares		
	183,160,060 (31 March 2019: 182,647,850) equity shares of INR 2 each	**366.320**	365.296
	Total	**366.320**	365.296

		31 March 2020		31 March 2019	
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	**18,26,47,850**	**365.296**	18,09,32,415	361.865
	Add: Allotted during the period pursuant to exercise of employees stock options (Refer note 34)	**5,12,210**	**1.024**	17,15,435	3.431
	Outstanding at the end of the period	**18,31,60,060**	**366.320**	18,26,47,850	365.296

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 1.62 per equity share for the financial year ended 31 March 2019 and the same was approved by the shareholders at the Annual General Meeting held on 23 July 2019. The amount was recognised as distributions to equity shareholders during the year ended 31 March 2020.

The Board of Directors declared an interim dividend of INR 2.70 per equity share during the financial year 2019-20. The amount was recognised as distributions to equity shareholders during the year ended 31 March 2020.

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 2020		31 March 2019	
Equity shares of INR 2 each fully paid	**No.**	**% of holding**	No.	% of holding
Dr. Pramod Chaudhari (Promoter)	**3,87,00,000**	**21.13%**	3,87,00,000	21.19%
Parimal Chaudhari (Promoter)	**1,44,00,000**	**7.86%**	1,44,00,000	7.88%
HDFC Trustee Company Limited - HDFC Equity Fund	**1,47,13,221**	**8.03%**	1,59,69,221	8.74%
Tata Capital Financial Services Limited	**1,32,56,223**	**7.24%**	1,32,56,223	7.26%

e. Shares reserved for issue under options:

Shares reserved for issue under the Employee Stock Option Plan (ESOP) please refer note 34.

Notes to the financial statements for the year ended 31st March 2020

(All amounts are in Indian rupees million unless otherwise stated)

f. 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 2020	31 March 2019
Number of bonus shares issued, shares issued for consideration other than cash and shares bought back	-	-

	31 March 2020	31 March 2019
13 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	**937.165**	815.401
Add : Employee stock options exercised	**24.586**	85.474
Add : Transfer from Share option outstanding account on exercise of options	**15.555**	36.290
Balance at the end of the year	**977.306**	937.165
Share option outstanding account		
Balance as at the beginning of the year	**25.592**	40.954
Add : Employee stock option expense	**13.766**	29.986
Less: Employee stock options expired and transferred to surplus in statement of profit and loss	**4.305**	9.058
Less : Transfer to Securities Premium on exercise of options	**15.555**	36.290
Balance at the end of the year	**19.498**	25.592
Special Economic Zone Re-investment Reserve		
Balance as at the beginning of the year	**132.948**	71.548
Add : Transfer from Surplus in the Statement of Profit and Loss	**159.500**	61.400
Balance at the end of the year	**292.448**	132.948
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
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	**4926.411**	4968.670
Profit as per statement of profit and loss	**647.113**	624.058
Other comprehensive income	**(11.797)**	4.444
Add: Employee stock options expired and transferred from share option outstanding account	**4.305**	9.058
Less: Appropriations		
Final / Interim equity dividend	**790.643**	385.311
Tax on final / Interim equity dividend	**162.519**	79.196
Adjustments to Opening Retained Earnings - Ind AS 116 / 115	**39.659**	153.912
Transfer to Special Economic Zone Re-investment Reserve	**159.500**	61.400
Net Surplus in Statement of profit and loss	**4413.711**	4926.411
Total Other Equity	**6677.197**	6996.350

Notes to the financial statements for the year ended 31st March 2020

(All amounts are in Indian rupees million unless otherwise stated)

		31 March 2020	31 March 2019
14	**Borrowings**		
	Non-current		
	Unsecured loan		
	Government loan	-	0.410
	Less: Current maturities of non-current borrowings disclosed under the head 'other financial liabilities - current' (Refer note 17)	-	0.410
	Total borrowings	-	-
	Loan received from Department of Biotechnology (DBT) carrying interest at the rate of 2%.		
15	**Provisions**		
	Non-current		
	Provision for employee benefits		
	Compensated absences	**73.564**	60.364
	Gratuity	**88.023**	84.485
	Performance incentive	-	5.407
		161.587	150.256
	Current		
	Provision for employee benefits		
	Compensated absences	**36.870**	31.687
	Gratuity	**20.000**	10.000
	Performance incentive	-	72.075
		56.870	113.762
	Total provisions	**218.457**	264.018
16	**Trade payables**		
	Current		
	-To related parties	**5.853**	8.409
	-To others		
	Total outstanding dues of micro enterprises and small enterprises (Refer note ii)	**115.253**	179.101
	Total outstanding dues of creditors other than micro enterprises and small enterprises (MSMED)	**1371.348**	1702.671
		1492.454	1890.181
	Notes:		
	i. Trade payables are non-interest bearing and are normally settled on 30-90 days terms		
	ii. Interest due/payable to parties registered under MSMED Act, 2006	-	0.009
17	**Other financial liabilities**		
	Non-current		
	Lease Liability	**138.918**	-
		138.918	-
	Current		
	Current maturities of long term borrowings	-	0.410
	Unclaimed dividends	**15.207**	11.503
	Employee benefits payable	**36.068**	108.125
	Foreign exchange forward contracts	**34.072**	-
	Lease Liability	**26.530**	-
	Other payables	**25.707**	23.468
		137.584	143.506

Notes to the financial statements for the year ended 31st March 2020

(All amounts are in Indian rupees million unless otherwise stated)

			31 March 2020	31 March 2019
18	**Other liabilities**			
	Current			
	Advances received from customers		**1318.860**	1604.070
	Dues to customers relating to contracts in progress (Refer Note 29)		**247.804**	371.140
	Statutory dues payable		**29.570**	32.092
			1596.234	2007.302
19	**Revenue from operations**			
	Sale of Products and Projects		**8553.341**	7793.855
	Add: Closing Contracts in progress		**761.386**	833.304
	Less: Opening Contracts in progress		**833.304**	225.879
		(a)	**8481.423**	8401.280
	Sale of services	(b)	**713.835**	634.239
	Other Operating Revenue			
	Scrap Sales		**223.244**	158.857
	Sale of Licenses		**-**	38.363
		(c)	**223.244**	197.220
	Total Revenue from operations (a+b+c)		**9418.502**	9232.739
20	**Other income**			
	Foreign Exchange fluctuation gain (net)		**39.066**	64.619
	Dividend from mutual fund investments/ from Subsidiary		**54.749**	0.061
	Gain on redemption of investments (net)		**42.463**	105.306
	Investment In Mutual Fund-Fair Valuation Gain/(Loss)		**71.182**	20.477
	Interest			
	- on fixed deposits		**44.134**	31.399
	- others		**43.991**	33.123
	Income calculated using effective interest rate method		**2.314**	4.845
	(Loss) / profit on sale of property,plant and equipment (net)		**-**	(0.698)
	Excess provision / creditors written back (including advances)		**1.092**	5.076
	Other non-operating income		**38.801**	19.563
			337.792	283.771
21	**Cost of materials consumed**			
	Raw material consumed		**4789.573**	5058.812
			4789.573	5058.812
22	**(Increase) / Decrease in inventories of Finished Goods and Work in Progress**			
	Inventories at the end of the year			
	Work in progress		**96.151**	116.764
	Finished goods		**31.939**	27.678
			128.090	144.442
	Inventories at the beginning of the year			
	Work in progress		**116.764**	88.666
	Finished goods		**27.678**	29.216
			144.442	117.882
	(Increase) / Decrease in inventories		**16.352**	(26.560)

(All amounts are in Indian rupees million unless otherwise stated)

		31 March 2020	31 March 2019
23	**Employee Benefit Expenses**		
	Salaries, wages and bonus	**1182.626**	1167.705
	Contributions to provident and other funds (Refer note 33 a)	**57.964**	52.734
	Gratuity expense (Refer note 33 b)	**15.846**	15.187
	Employee stock option expense	**13.765**	29.986
	Staff welfare	**68.455**	58.372
		1338.656	1323.984
24	**Finance costs**		
	Interest expense	**0.007**	0.014
	Net interest on defined benefit plan	**6.091**	6.819
	Interest on Lease Liability	**18.357**	-
		24.455	6.833
25	**Other Expenses**		
	Consumption of Stores and spares	**128.719**	113.679
	Site expenses and labour charges	**892.376**	570.996
	Freight and transport	**215.936**	257.407
	Bad debts written off / Provision for doubtful debts and advances	**171.808**	168.041
	Sales commission	**138.384**	137.772
	Travel and conveyance	**175.139**	181.135
	Professional consultancy charges	**156.094**	147.111
	Insurance	**27.031**	26.359
	Rent (Refer note 32)	**23.767**	53.760
	Power and fuel	**54.873**	52.862
	Advertising and exhibition expenses	**20.521**	24.703
	Communication expenses	**17.543**	14.731
	Testing charges	**40.813**	30.486
	Repairs and maintenance:		
	Building	**7.026**	6.516
	Plant and Machinery	**23.214**	24.754
	Others	**31.581**	19.340
	Auditors' remuneration		
	for audit services	**3.600**	3.600
	for taxation services	**0.650**	0.650
	out of pocket expenses	**0.017**	0.046
	Directors' commission	**7.200**	7.200
	Rates and taxes	**5.068**	1.617
	Reimbursement of Marketing Support Expenses	**99.457**	58.924
	Miscellaneous expenses	**285.410**	242.608
		2526.227	2144.297

Notes to the financial statements for the year ended 31st March 2020

(All amounts are in Indian rupees million unless otherwise stated)

			31 March 2020	31 March 2019
26	**Income tax**			
	A	**Statement of profit and loss:**		
		Current income tax:		
		Current income tax charge (net of MAT credit utlisation of INR 85.405)	**173.400**	158.500
		Tax relating to earlier periods	**(0.087)**	-
		Deferred tax:		
		Relating to origination and reversal of temporary differences	**(44.952)**	26.680
		Income tax expense reported in the statement of profit and loss	**128.361**	185.180
	B	**Statement of other comprehensive income:**		
		Deferred tax:		
		Remeasurements gains and losses on post employment benefits	**(6.336)**	2.388
		Income tax expense reported in the statement of other comprehensive income	**(6.336)**	2.388
	C	**Reconciliation of effective tax rate**		
		Accounting profit before tax	**775.474**	809.238
		Tax using the Company's domestic tax rate 34.944% (31 March 2019: 34.944%)	**270.982**	282.780
		Adjustments in respect of current income tax of previous years	**(0.087)**	-
		Less: Tax effect of:		
		i Tax rate difference on book profit as per Minimum Alternate Tax	**(173.379)**	(97.538)
		ii Tax effect on exempt income dividend	**-**	(0.021)
		iii Tax effect of reversal of Deffered Tax on adjustment to Opening Reserve in respect of IND AS 115	**-**	(82.674)
		Add: Tax effect of		
		i Tax liability on IND AS adjustment to Retained earnings	**1.769**	1.772
		ii Tax liability on permanent Difference 14A Disallowance	**-**	1.811
		iii Tax liability on Doubtful debt provision under MAT	**44.770**	49.982
		iv Tax liability on Provision for Impairment of Investment under MAT	**34.090**	-
		v Tax liability on Expenditure debited to Reserves-ESOP expenses under MAT	**1.504**	-
		vi Deferred Tax expenses accounted as no effect of Timing differences on MAT liability	**(51.288)**	29.068
		Total	**128.361**	185.180
		Income tax expense reported in the statement of profit and loss	**128.361**	185.180

(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 2020	31 March 2019	31 March 2020	31 March 2019
Deferred tax asset				
Provision for doubtful debts and advances	**317.655**	272.885	**(44.770)**	(49.982)
Gratuity	**37.747**	33.017	**(4.730)**	2.806
Long term capital losses	**-**	14.283	**14.283**	12.842
Compensated absences	**38.590**	32.166	**(6.424)**	(1.427)
Others	**6.444**	4.770	**(1.674)**	0.713
Lease Liability	**57.814**	-	**(57.814)**	
IND AS 115 Deferred Tax reversal				82.674
Total	**458.250**	357.121	**(101.129)**	47.626
Deferred tax liability				
Property, plant & equipment and intangible assets	**(329.796)**	(300.469)	**29.327**	(18.515)
Amortisation of prepaid lease rentals / others	**(2.022)**	(2.810)	**(0.788)**	(0.043)
Total	**(331.818)**	(303.279)	**28.539**	(18.558)
Net deferred tax asset / (liability)	**126.432**	53.842		
Deferred tax expense/(income)			**(72.590)**	29.068
- Recognised in the statement of profit and loss			**(44.952)**	26.680
- Recognised in the statement of other comprehensive income			**(6.336)**	2.388
- Recognised in retained earnings			**(21.302)**	-

27 Earnings per share

Particulars	31 March 2020	31 March 2019
Reconciliation of basic and diluted shares used in computing earnings per share		
Weighted average number of basic equity shares	**18,29,04,986**	18,18,20,960
Add: effect of dilutive potential equity shares:		
- Employee stock options	**2,50,680**	4,19,204
Weighted average number of diluted equity shares	**18,31,55,666**	18,22,40,164
Computation of basic and diluted earnings per share		
Net profit after tax attributable to equity shareholders	**647.113**	624.058
Basic earnings per equity share of INR 2 each	**3.54**	3.43
Diluted earnings per equity share of INR 2 each	**3.53**	3.42

Notes to the financial statements for the year ended 31st March 2020

(All amounts are in Indian rupees million unless otherwise stated)

28 Capital commitments and contingent liabilities

Particulars	31 March 2020	31 March 2019
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**13.230**	8.267
Other commitments		
Partly paid shares-Praj Far East Co. Ltd	**13.592**	12.828
Contingent liabilities		
Claims against Company not acknowledged as debts (primarily relating to performance related claims filed by customers)	**17.550**	30.061
Disputed demands in appeal towards income tax, service tax & sales tax	**200.189**	197.884
Guarantee issued in respect of obligations of a subsidiary	**589.280**	559.968

29 Disclosures pursuant to Ind AS 115-Revenue from Contracts with Customers

Particulars	31 March 2020	31 March 2019
Contract revenue recognised during the year (excluding taxes)	**8639.590**	8563.433
Aggregate amount of contract costs incurred and recognised profits (less recognised losses)	**12148.788**	10680.805
Customer advances outstanding for contracts in progress	**952.725**	1282.395
Retention money due from customers for contracts in progress	**504.674**	575.074
Gross amount due from customers for contract work (presented as contracts in progress)	**1009.190**	1204.444
Gross amount due to customers for contract work (presented as dues to customers relating to contracts in progress)	**(247.804)**	(371.140)

I) Revenue by category of contracts:

Particulars	31 March 2020	31 March 2019
Over a period of time basis	**8639.592**	8563.433
At a point-in-time basis	**778.910**	669.306
Total revenue from contracts with customers	**9418.502**	9232.739

Revenue by geographical market:

Particulars	31 March 2020	31 March 2019
Within India	**5891.589**	6000.461
Outside India	**3526.913**	3232.278
Total revenue from contracts with customers	**9418.502**	9232.739

(All amounts are in Indian rupees million unless otherwise stated)

II) Contract balances

Particulars	31 March 2020	31 March 2019
Trade receivables	**2657.179**	2277.644
Unbilled Revenue (Contract Asset)	**1009.190**	1204.444
Unearned Revenue (Contract Liability)	**247.804**	371.140
Customer Advances (Contract Liability)	**1318.860**	1604.070

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.

30 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.

31 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

Praj HiPurity Systems Limited

Praj Industries (Namibia) Limited

Praj Far East Philippines Limited Inc.

Step down subsidiaries

Praj Industries (Sierra Leone) Limited (upto 18 May 2018)

b) Key management personnel and their close members of family

Executive chairman	Dr. Pramod Chaudhari
CEO & Managing Director	Shishir Joshipura
Chief Financial Officer & Director-Finance & Commercial	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

Notes to the financial statements for the year ended 31st March 2020

(All amounts are in Indian rupees million unless otherwise stated)

c)	**Entities controlled or jointly controlled by a person identified in b)**	
		Praj Foundation
		Plutus Properties LLP

d) **Transactions and balances with related parties have been set out below:**

Particulars	31 March 2020	31 March 2019
Praj Engineering & Infra Limited		
Advances provided & recovered during the year	**4.925**	0.073
Expenses incurred and reimbursed by the Company	**1.016**	0.990
Expenses incurred and reimbursed by subsidiary	**0.331**	0.400
Rent received	**0.060**	0.060
Receivable	**0.173**	0.181
Payable	**0.687**	1.013
Praj Far East Co. Ltd		
Expenses incurred and reimbursed by the Company	**36.604**	24.682
Payable	**0.166**	0.152
Receivable	**8.030**	7.353
Praj Americas Inc.		
Expenses incurred and reimbursed by the Company	**62.853**	34.242
Payable	**5.000**	2.929
Praj HiPurity Systems Limited		
Sales of goods and services	-	0.051
Purchase of goods & services(without taxes)	**2.845**	2.005
Purchase of capital goods & services(without taxes)	-	6.462
Expenses incurred and reimbursed by the Company	-	1.850
Expenses incurred and reimbursed by subsidiary	**4.469**	10.055
Financial guarantee given on behlaf of subsidiary (income)	-	2.619
Payable	-	4.316
Receivable	**1.105**	2.349
Advance receivable	-	2.196
Praj Industries (Namibia) Limited		
Receivable	-	18.648
Praj Industries Philippines Limited Inc.		
Sales of services	-	22.556
Receivable	-	15.854
Dividend receivable	**54.749**	-
Praj Foundation		
Donation paid	**13.044**	13.652
Plutus Properties LLP		
Rent paid	**3.423**	3.216
Dr. Pramod Chaudhari		
Short term employee benefits	**44.975**	49.035
Post employment benefits	**4.392**	4.392
Other long term employee benefits	**1.200**	1.080
Dividend	**167.184**	82.044
Payable	-	4.234

(All amounts are in Indian rupees million unless otherwise stated)

Particulars	31 March 2020	31 March 2019
Shishir Joshipura		
Short term employee benefits	**27.723**	27.177
Post employment benefits	**3.523**	3.426
Other long term employee benefit	**0.800**	0.732
Share based payment	**4.993**	1.117
Payable	**1.750**	0.959
Sachin Raole		
Short term employee benefits	**11.394**	7.477
Post employment benefits	**0.981**	0.860
Other long term employee benefit	**0.293**	0.180
Share based payment	**4.993**	1.835
Dividend	**0.243**	-
Payable	**1.740**	2.520
Dattatraya Nimbolkar		
Short term employee benefits	**5.870**	6.753
Post employment benefits	**0.574**	0.527
Other long term employee benefit	**0.107**	0.079
Share based payment	**-**	0.637
Dividend	**0.004**	-
Payable	**0.200**	1.624
Parimal Chaudhari		
Commission on profit	**1.550**	1.650
Dividend	**93.312**	45.792
Payable	**1.550**	1.650
Parth Chaudhari		
Remuneration	**2.916**	2.916

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.

32 Leases

Effective 1 April 2019, the Company has adopted Ind AS 116 "Leases" using modified retrospective approach and applied the Standard to its leases retrospectively and has recognised the effect of the cumulative adjustment in the opening balance of retained earnings, on date of initial application (1 April 2019). Accordingly, comparatives for the period prior to the current quarter / year have not been restated.

Right of Use Asset was recognised with a corresponding Lease Liability amounting to INR 230.705. Adjustments debited to opening Retained Earnings in respect of depreciation on Right of Use asset amounting to INR 118.021, finance cost on lease liability amounting to INR 140.912; and credited to opening Retained Earnings in respect of actual rent paid amounting to INR 197.972 and creation of Deferred Tax Asset amounting to INR 21.302. Net adjustment of INR 39.659 have been debited to the opening Retained Earnings.

Nature of Leasing activity:

The Company has entered into lease arrangements for office and factory premises, residential premises for its employees, office equipments and computers.

Notes to the financial statements for the year ended 31st March 2020

(All amounts are in Indian rupees million unless otherwise stated)

The disclosures relating to leases are as summarised below:

Particulars	31 March 2020
Depreciation for right-of-use asset	**22.557**
Interese expense on lease liabilities	**18.357**
Expenses relating to short-term / low value leases	**23.767**
Total Cash outhflow for leases	**63.237**
Carrying amount of right-of-use asset	**116.293**
Maturity analysis of lease liabilities:	
- less than 1 year	**26.530**
- between 1 to 3 years	**103.570**
- more than 3 years	**35.348**

33 Employee benefits

a) Defined contribution plans

The Company has recognised INR 57.964 (31 March 2019: INR 52.734) towards post-employment defined contribution plans comprising of provident 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 2020	31 March 2019
Present value of obligation as at the beginning of the period	**221.659**	210.562
Interest cost	**16.355**	15.297
Current service cost	**15.846**	15.187
Benefits paid	**(7.176)**	(13.202)
Remeasurements on obligation - (gain) / loss	**16.568**	(6.185)
Present value of obligation as at the end of the period	**263.252**	221.659

The changes in the fair value of planned assets representing reconciliation of opening and closing balances thereof are as follows:

Particulars	31 March 2020	31 March 2019
Fair value of plan assets at the beginning of the period	**127.174**	108.048
Interest income	**10.264**	8.479
Contributions	**19.357**	10.000
Return on plan assets, excluding amount recognized in interest income - gain / (loss)	**(1.565)**	0.647
Fair value of plan assets as at the end of the period	**155.230**	127.174

(All amounts are in Indian rupees million unless otherwise stated)

Amounts recognised in the balance sheet are as follows:

Particulars	31 March 2020	31 March 2019
Present value of obligation as at the end of the period	**263.252**	221.659
Fair value of plan assets as at the end of the period	**155.230**	127.174
Surplus / (deficit)	**(108.022)**	(94.485)

Amounts recognised in the statement of profit and loss are as follows:

Particulars	31 March 2020	31 March 2019
Current service cost	**15.846**	15.187
Net interest (income) / expense	**6.091**	6.819
Net periodic benefit cost recognised in the statement of profit and loss at the end of the period	**21.937**	22.006

Amounts recognised in the statement of other comprehensive income (OCI) are as follows:

Particulars	31 March 2020	31 March 2019
Remeasurement for the year - obligation (gain) / loss	**16.568**	(6.185)
Remeasurement for the year - plan assets (gain) / loss	**1.565**	(0.647)
Total remeasurements cost / (credit) for the year	**18.133**	(6.832)

Net interest (income) / expense recognised in statement of profit and loss are as follows:

Particulars	31 March 2020	31 March 2019
Interest (income) / expense - obligation	**16.355**	15.297
Interest (income) / expense - plan assets	**(10.264)**	(8.479)
Net interest (income) / expense for the year	**6.091**	6.818

The broad categories of plan assets as a percentage of total plan assets are as follows:

Particulars	31 March 2020	31 March 2019
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 2020	31 March 2019
Discount rate	**6.20%**	7.50%
Rate of increase in compensation levels	**8.00%**	8.00%
Expected rate of return on plan assets	**7.50%**	7.50%
Expected average remaining working lives of employees (in years)	**9.58**	9.67
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%)

Notes to the financial statements for the year ended 31st March 2020

(All amounts are in Indian rupees million unless otherwise stated)

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 2020	31 March 2019
Decrease by 1% to 5.20%	**276.960**	232.538
Increase by 1% to 7.20%	**251.171**	212.026

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 2020	31 March 2019
Decrease by 1% to 7.00%	**252.833**	213.285
Increase by 1% to 9.00%	**274.805**	230.914

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 2020	31 March 2019
Decrease by 1% to 6.00%	**264.614**	221.971
Increase by 1% to 8.00%	**262.025**	221.377

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.

(All amounts are in Indian rupees million unless otherwise stated)

34 Employee Stock Option Plan (ESOP)

During the year 2018-19 1,625,000 options were granted to certain employees of the Company as ESOP 2011-Grant VIII to X.

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. The stock options granted are exercisable at 100% of the fair market value of the underlying equity shares of the Company as on the date of grant.

Amount of employee compensation expense recognised for employee services received during the year.

Particulars	31 March 2020	31 March 2019
Expense arising from equity-settled share-based payment transactions	**13.765**	29.986

Movements during the year
ESOP 2011 Grant I to X

Particulars	31 March 2020		31 March 2019	
	Options	**Weighted average exercise price INR**	Options	Weighted average exercise price INR
Number of options outstanding at the beginning of the year	**23,95,098**	**62.82**	28,85,533	54.91
Number of options granted during the year	**-**	**-**	16,25,000	68.89
Number of options exercised during the year	**(5,12,210)**	**50.00**	(17,15,435)	51.83
Number of options forfeited/lapsed during the year	**(55,580)**	**60.80**	(4,00,000)	77.60
Number of options outstanding at the end of the year	**18,27,308**	**66.47**	23,95,098	62.82
Number of options exercisable at the end of the year	**3,22,308**	**50.00**	7,70,098	50.00
Range of exercise price of options outstanding at the end of the year	**INR 50.00 to 70.00**		INR 50.00 to 70.00	
Average share price during the year	**INR 113.78**		INR 106.11	
Weighted average remaining contractual life of options outstanding at the end of the year	**2.90 years**		3.13 years	
Weighted average fair value of option as on date of grant (granted during the year)	-	-	15-Dec-18	59.41
			15-Jan-19	89.90
			28-Jan-19	61.86
			28-Jan-19	62.48

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 2018-19			
Grant date	**15 Dec 2018**	**15 Jan 2019**	**28 Jan 2019**	**28 Jan 2019**
Risk-free interest rate	**7.04%**	**6.83%**	**6.78%**	**6.78%**
Expected life	**1.03 years**	**1.59 years**	**1.55 years**	**1.65 years**
Expected volatility*	**57.46%**	**60.39%**	**61.51%**	**61.51%**
Expected dividend yield	**2.07%**	**2.07%**	**2.07%**	**2.07%**
Price of the underlying share in market at the time of grant of option (INR)	**106.70**	**153.10**	**121.30**	**121.30**

* 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 2020

(All amounts are in Indian rupees million unless otherwise stated)

35 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 2020	31 March 2019
Capital expenditure (excluding advances)	**31.955**	27.375
Revenue expenditure	**198.958**	167.767

36 Taxes

The company has not recognised MAT credit entitlement to the extent of INR 76.535 till 31 March, 2020 in respect of Income Tax paid in view of uncertainty of its utilisation for payment of tax in foreseeable future. During the year un-recognised MAT credit to the extent of INR 85.405 has been utilised.

37 Imapirment of Investment in Subsidiary

During the year the Company has made a provision for impairment of investment in its subsidiary Praj Industries (Africa) Pty Limited. The provision made is INR 97.558 after considering the amount recoverable from the investment made. The recovarable amount of the investment is INR 7.000 which represents the cash and bank balance available with the subsidiary.

38 Note on COVID-19 impact

In March 2020, the World Health Organisation (WHO) declared the COVID-19 outbreak as a pandemic which continues to spread across the country. The economic impact of the 2019-20 corona virus pandemic in India has been largely disruptive.The impact of the coronavirus (COVID-19) is being felt by all businesses around the world. On 25 March 2020, the Government of India declared this pandemic a health emergency, ordered temporary closure of all non-essential businesses, imposed restrictions on movement of goods/material, travel, etc.

In the back drop of national lock- down declared by the Government of India on 22 March 2020, the Company's national as well as international operations are adversely affected. As a result of this, profitability of the Company has also been adversely affected.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these standalone and consolidated financial statements. Considering the continuing uncertainties, the Company will continue to closely monitor any material changes in future economic conditions.

The duration and severity of COVID-19 pandemic and the disruption caused to global economic and business environment can not be reasonably estimated. The extent of impact on this pandemic on Company's business operations, cash flows, future revenue, assets and liabilities will depend on numerous evolving factors that currently can not be reasonably assessed.

The Company has recently, after receiving applicable permissions, partially commenced operations at its SEZ Units at Kandla (Gujarat) factory situated at Sanaswadi (Maharashtra, Pune) at R&D Centre at Urawade (Maharashtra, Pune) and at Praj Tower (Maharashtra, Pune).

The Company has evaluated and factored in the possible impact that may result from this pandemic and all events and circumstances up to the date of approval of these financial results on the carrying value of its assets and liabilities as at 31 March 2020. The impact on the financial results for the year ended 31st March 2020 because of any events and developments beyond the date of approval of these financial results may differ from that estimated as at the date of approval of these financial results and will be recognized prospectively.

The duration of this lockdown is uncertain at this point in time and resumption of full-fledged operations will depend upon directives issued by the Government authorities.At present, there is pressure to shape the strategy and restructure entire organization to deliver better, lasting results for all its stakeholders.

(All amounts are in Indian rupees million unless otherwise stated)

39 Corporate Social Responsibility (CSR) expenditure

The Company was required to spend INR 14.044 as expenditure on CSR as per requirements of the Companies Act, 2013. During the year, the Company has incurred CSR expenses of INR 14.048 as follows:

Amount spent on	Amounts paid	Yet to be paid
Construction/acquisition of asset	Nil	Nil
On other purposes covered under Schedule VII to Companies Act, 2013	14.048*	Nil

* Includes INR 13.044 given to Praj Foundation which is a related party.

The above expenditure includes contribution/donation of INR 14.044 to trusts / institute which are engaged in activities eligible under section 135 of Companies Act, 2013 read with Schedule VII thereto.

40 Fair value measurements

As per assessments made by the management, fair values of all financial instruments carried at amortised cost (except as specified below) 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 using quoted prices.

Sr. No	Particulars	Carrying value	
		31 March 2020	31 March 2019
	Levelled at level 2		
	Financial asset		
a)	**Carried at amortised cost**		
	Investment in quoted non-convertible bonds*	**398.060**	398.060
	Investment in deposits	**150.000**	200.000
	Security deposits	**49.652**	42.099
	Trade receivable	**2657.179**	2277.644
	Deposits with banks	**60.710**	200.020
	Advances to subsidiaries	**8.030**	7.955
	Other receivables	**34.458**	38.286
	Cash and cash equivalents and other bank balances	**231.012**	547.702
b)	**Carried at fair value through profit and loss (FVTPL)**		
	Foreign exchange forward contracts	**-**	20.599
	(The fair value is as per the mark-to-market valuation from banks)		
	Levelled at level 1		
a)	Investments in mutual funds	**1000.090**	1424.000
b)	Investments in debentures	**-**	49.990
	Levelled at level 2	**-**	-
	Financial liabilities		
a)	**Carried at amortised cost**		
	Borrowings	**-**	0.410
	Trade payables	**1492.454**	1890.181
	Unclaimed dividends	**15.207**	11.503
	Lease Liability	**165.448**	-
	Other payables	**61.775**	131.593
b)	**Carried at fair value through profit and loss (FVTPL)**		
	Foreign exchange forward contracts	**34.072**	-
	(The fair value is as per the mark-to-market valuation from banks)		

*	Fair value of investment in quoted non-convertible bonds	**393.473**	394.160

Notes to the financial statements for the year ended 31st March 2020

(All amounts are in Indian rupees million unless otherwise stated)

41 Financial risk management policy and objectives

Company's principal financial liabilities, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. 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 advances to subsidiaries, 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 2020	31 March 2019
Trade receivables	**3555.113**	3047.458
Less : expected loss	**897.934**	769.814
Total	**2657.179**	2277.644

	31 March 2020	31 March 2019
Trade receivables		
Neither past due nor impaired	**856.012**	721.688
Less than 180 days	**1420.976**	1169.805
181 - 365 days	**170.250**	112.555
More than 365 days	**209.941**	273.596
Total	**2657.179**	2277.644

Reconciliation of loss provision

	Trade receivables
Loss allowance as at 31 March 2019	**769.814**
Changes in loss allowance	**128.120**
Loss allowance as at 31 March 2020	**897.934**

Notes to the financial statements for the year ended 31st March 2020

(All amounts are in Indian rupees million unless otherwise stated)

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 2020	31 March 2019
Interest bearing borrowings		
On demand		
Less than 180 days	**-**	0.205
181 - 365 days	**-**	0.205
More than 365 days	**-**	-
Total	**-**	0.410
Other liabilities		
On demand	**15.207**	11.503
Less than 180 days	**74.692**	131.593
181 - 365 days	**13.613**	-
More than 365 days	**138.918**	-
Total	**242.430**	143.096
Trade payables		
On demand	**-**	-
Less than 180 days	**1492.454**	1890.181
181 - 365 days	**-**	-
More than 365 days	**-**	-
Total	**1492.454**	1890.181

The company has access to following undrawn facilities at the end of the reporting period

	31 March 2020	31 March 2019
Expiring within one year	**180.000**	150.000
Expiring beyond one year	**-**	-

(All amounts are in Indian rupees million unless otherwise stated)

(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 2020	31 March 2019	31 March 2020	31 March 2019
Trade receivables	EUR	**0.150**	0.754	**12.319**	57.930
	USD	**12.872**	8.883	**964.592**	609.640
	GBP	**0.180**	0.182	**16.584**	16.282
Bank accounts	EUR	**0.047**	0.094	**3.880**	7.202
	USD	**1.291**	2.029	**96.592**	138.824
Foreign exchange forward contracts	EUR	**-**	-	**-**	-
	USD	**11.350**	8.150	**850.569**	559.335

Financial liabilities	Currency	Amount in foreign currency		Amount in INR	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
Trade payables	EUR	**0.571**	1.202	**47.952**	94.249
	USD	**1.727**	2.206	**131.231**	153.582
	GBP	**0.000**	-	**0.012**	-

Currency wise net exposure (assets - liabilities)

Particulars	Amount in foreign currency		Amount in INR	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
EUR	**(0.374)**	(0.354)	**(31.753)**	(29.117)
USD	**23.786**	16.856	**1780.522**	1154.217
GBP	**0.180**	0.182	**16.572**	16.282

Sensitivity analysis

Currency	Amount in INR		Sensitivity %	Impact on profit- strengthen [Loss / (Gain)]		Impact on profit - weakening [Loss / (Gain)]	
	2020	2019		2020	2019	2020	2019
EUR	**(31.753)**	(29.117)	5.00%	**1.588**	1.456	**(1.588)**	(1.456)
USD	**1780.522**	1154.217	5.00%	**(89.026)**	(57.711)	**89.026**	57.711
GBP	**16.572**	16.282	5.00%	**(0.829)**	(0.814)	**0.829**	0.814
Total	**1765.341**	1141.382		**(88.267)**	(57.069)	**88.267**	57.069

(GBP - Great Britain Pound, EUR- Euro, USD - US Dollar)

Notes to the financial statements for the year ended 31st March 2020

(All amounts are in Indian rupees million unless otherwise stated)

42 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 2020	31 March 2019
Loans and borrowings	-	-
Less: cash and cash equivalents	**215.788**	336.175
Net debt	-	-
Equity	**7043.517**	7361.646
Capital and net debt	**7043.517**	7361.646
Gearing ratio	**0%**	0%

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- Finance & Commercial
(DIN : 00431438)

Place: Pune
Date: 26 May 2020

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

Independent Auditors' Report

TO THE MEMBERS OF PRAJ INDUSTRIES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Praj Industries Limited ("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, 2020, and 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, 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 Company and its Subsidiaries as at March 31, 2020, 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 Company and its Subsidiaries in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

Key Audit Matters

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

1) Recognition of Revenue from Contracts with Customers

Description of Key Audit Matters

Revenue from Projects is recognized as per Ind-AS 115 on satisfaction of performance obligation overtime, where progress towards complete satisfaction of performance obligation is measured under Input Method. For the year ended 31st March 2020 project revenue recognized amounted to Rs. 8918.630 Mn, opening and closing Contracts in Progress amounted to Rs.788.460 Mn and Rs. 750.081 Mn respectively.

Measuring of satisfaction of performance obligation under Input Method involves estimation of budget costs in respect of projects contracted and capturing of actual costs incurred against such projects. As the revenue is recognized in proportion of project costs incurred to the total budgeted cost, inaccurate capturing of costs incurred as well as inaccurate budget estimates would result in incorrect recognition of revenue.

Description of Auditors' Response

We have performed the following processes in relation to the accuracy of revenue recognized and accrued:

a) Understood, evaluated and tested key controls over the 'Statement of Revenue Recognition', which is a statement prepared in which data related to Contract price, Budgeted costs, Progressive billings raised and Percentage completion of contract is captured and on the basis of which proportionate revenue is recognized under Input Method.

b) Tested on sample basis the process of estimation of budget costs of the projects which are considered in 'Statement of Revenue Recognition'.

c) Checked on sample basis contract values considered in 'Statement of Revenue Recognition' from the approved contracts with the Customers.

d) Tested on sample basis the process of capturing of costs in 'Statement of Revenue Recognition' with respect to the projects in process.

e) Verified revenue to be recognized for the year under audit from 'statement of Revenue Recognition'

Our Audit process did not identify any material incorrect Recognition of Revenue.

2) **Trade Receivables**

Description of Key Audit Matters

Trade Receivables, net of impairment allowance, amounts to Rs. 3301.379 Mn as on 31st March 2020, which constitutes about 28 % of the total Assets of the Company. Impairment provision carried in the books as on 31st March 2020 is Rs. 966.059 Mn.

Management's judgment is involved in identifying impairment in the value of the receivable as well as in formulating a policy for creating provisioning against impairment which has an adverse effect on the profits of the Company.

Description of Auditors' Response

We have performed the following processes in relation to Management's Judgment in identification of impairment of value of Receivables and adequacy of impairment provision:

a) We have referred to the defined policy in place stipulating the methodology of making impairment provision in respect of overdue Receivable amounts. We have also reviewed age-wise analysis in respect of Receivables and ensured that the provisioning is made according to such policy. The above referred provisioning policy stipulates different provisioning norms for Receivables with confirmations and without confirmations.

b) We have sought information and explanations from the Project Heads regarding the status of receivable for the purpose of ensuring adequate impairment provisions.

c) We have also tested subsequent collections made from the overdue receivables.

Our Audit process did not identify any material inadequate provisioning for impairment in the value of Receivables.

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 is responsible for the preparation and presentation of these Consolidated Financial Statements in terms 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 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and its Subsidiaries 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 Company and its Subsidiaries have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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.

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

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

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

Other Matters

We did not audit the financial statements/financial information of two subsidiaries, whose financial statements/ financial information reflect total assets of Rs 172.919 Mns as at 31 March 2020, total revenue of Rs. 182.981 Mns, and net cash flows amounting to Rs -22.664 Mns for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) and (11) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

We did not audit the financial statements/financial information of two subsidiaries, whose financial statements/ financial information reflect total assets of Rs 7.014 Mns as at 31 March 2020, total revenue of Rs.1.155 Mns, and net cash flows amounting to Rs -15.372 Mns for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements/ financial information are unaudited and have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) and (11) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

1. 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 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 Cash Flow Statement 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 / Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

   e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its Subsidiary companies incorporated in India, none of the directors of the Group Company incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and its Subsidiaries 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 by the Holding Company to its directors is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director by the Holding Company 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:

      (i) The Consolidated Financial Statements disclose the impact of pending litigations as at March 31, 2020 on the consolidated financial position of the Group – Refer Note 28 to the Consolidated Financial Statements.

      (ii) The Company and its Subsidiaries did not have any material foreseeable losses on long-term contracts including derivative contracts as at March 31, 2020.

      (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiaries during the year ended March 31, 2020.

For **M/s P G Bhagwat**
Chartered Accountants
Firm Registration Number: 101118W

Sandeep Rao
Partner
Membership Number: 47235
UDIN: 20047235AAAABJ7951

Pune: 26th May 2020

Annexure I to the Independent Auditors' Report

Referred to in paragraph 1 (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 over financial reporting with reference to the Consolidated Financial Statements of Praj Industries Limited ("the Holding Company") and its Subsidiaries (the Holding company and its Subsidiaries together referred to as "the Group") as of March 31, 2020 in conjunction with our audit of the Consolidated Financial Statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Holding Company's and its Subsidiaries Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group 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's internal financial controls over financial statements 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 over financial statements 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 adequacy of the internal financial control system with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial statements with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls over financial statements 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 Group's internal financial controls over financial statements with reference to Consolidated Financial Statements.

Meaning of Internal Financial Controls Over Financial Statements

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

Because of the inherent limitations of internal financial controls over financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial statements to future periods are subject to the risk that the internal financial control over 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 Group has maintained, in all material respects, adequate internal financial controls system over financial statements with reference to Consolidated Financial Statements and such internal financial controls over financial statements with reference to Consolidated Financial Statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

Other Matters

We did not audit the internal financial controls over financial reporting of 5 subsidiaries which are located outside India and are not companies registered under the Companies Act 2013.

For **M/s P G Bhagwat**
Chartered Accountants
Firm Registration Number: 101118W

Sandeep Rao
Partner
Membership Number: 47235
UDIN: 20047235AAAABJ7951

Pune: 26th May 2020

Consolidated Balance Sheet as at 31st March 2020

(All amounts are in Indian rupees million unless otherwise stated)

Particulars	Note no.	31 March 2020	31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	**2167.065**	2127.741
Capital work-in-progress	3	**20.795**	22.254
Investment property	3	**136.928**	136.928
Goodwill	3	**626.150**	626.150
Intangible assets	3	**8.196**	9.365
Financial assets			
Investments	4	**398.073**	448.165
Loans	5	**59.859**	50.129
Others	6	**126.689**	231.514
Deferred tax assets (net)	26	**180.606**	93.441
Other assets	7	**92.889**	116.945
		3817.250	**3862.632**
Current assets			
Inventories	8	**1111.388**	1263.768
Financial assets			
Investments	4	**1237.090**	1656.950
Trade receivables	9	**3301.379**	3052.911
Cash and cash equivalents	10	**458.427**	635.598
Other bank balances	11	**34.696**	244.027
Loans	5	**0.141**	1.579
Others	6	**39.383**	61.824
Current tax asset (net)		**85.156**	92.196
Other assets	7	**1531.558**	1598.153
		7799.218	**8607.006**
TOTAL ASSETS		**11616.468**	**12469.638**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	**366.320**	365.296
Other equity	13	**6826.168**	7084.856
Sub-total - total equity attributable to parent		**7192.488**	7450.152
Non-controlling interests		**6.697**	6.643
Total equity		**7199.185**	**7456.795**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Other financial liabilities	17	**151.679**	-
Provisions	15	**171.770**	158.798
		323.449	158.798
Current liabilities			
Financial liabilities			
Trade payables	16	**1874.933**	2345.352
Other financial liabilities	17	**174.726**	164.674
Other current liabilities	18	**1971.657**	2218.781
Provisions	15	**72.518**	125.238
		4093.834	**4854.045**
TOTAL LIABILITIES		**4417.283**	**5012.843**
TOTAL EQUITY AND LIABILITIES		**11616.468**	**12469.638**
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 **M/s P.G. Bhagwat**
Chartered Accountants
Firm Regn No: 101118W

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

Sandeep Rao
Partner
Membership No.: 47235

Dr. Pramod Chaudhari
Executive Chairman
(DIN : 00196415)

Shishir Joshipura
CEO and Managing Director
(DIN : 00574970)

Sachin Raole
CFO and Director - Finance & Commercial
(DIN : 00431438)

Place: Pune
Date: 26 May 2020

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

Consolidated Statement of profit and loss for the year ended 31st March 2020

(All amounts are in Indian rupees million unless otherwise stated)

Particulars	Note no.	31 March 2020	31 March 2019
INCOME			
Revenue from operations	19	**11023.657**	11411.120
Other income	20	**300.214**	322.966
Total Income		**11323.871**	**11734.086**
EXPENSES			
Cost of materials consumed	21	**5670.174**	6013.337
Changes in inventories of finished goods, stock-in -trade and work-in-progress	22	**(146.479)**	82.033
Employee benefits expense	23	**1639.765**	1605.689
Finance costs	24	**30.962**	7.631
Depreciation and amortization expense	3	**218.461**	229.496
Other expenses	25	**3079.642**	2916.647
Total expenses		**10492.525**	**10854.833**
Profit before tax		**831.346**	**879.253**
Tax expenses	26		
Current tax		**181.906**	169.424
Deferred tax		**(57.919)**	28.179
Adjustments of tax relating to earlier periods		**2.996**	(0.425)
Total tax expenses		**126.983**	**197.178**
Profit for the year		**704.363**	**682.075**
Attributable to :			
Non-controlling interests		**0.054**	0.043
Owners of the company		**704.309**	682.032
Profit for the year		**704.309**	**682.032**
Other comprehensive income			
Items that will not be reclassified to profit and loss:			
Re-measurement of defined benefit plans		**(19.589)**	6.671
Income tax effect		**5.926**	(2.366)
		(13.663)	4.305
Items that will be reclassified to profit and loss:			
Exchange differences on translation of foreign operations		**10.369**	1.986
		10.369	1.986
Other comprehensive income		**(3.294)**	**6.291**
Total comprehensive income for the year		**701.069**	**688.366**
Attributable to :			
Non-controlling interests		**0.054**	0.043
Owners of the company		**701.015**	688.323
Earnings per equity share (Nominal value per share INR 2 each)	27		
(1) Basic		**3.85**	3.75
(2) Diluted		**3.85**	3.74
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 **M/s P.G. Bhagwat**
Chartered Accountants
Firm Regn No: 101118W

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

Sandeep Rao
Partner
Membership No.: 47235

Dr. Pramod Chaudhari
Executive Chairman
(DIN : 00196415)

Shishir Joshipura
CEO and Managing Director
(DIN : 00574970)

Sachin Raole
CFO and Director - Finance & Commercial
(DIN : 00431438)

Place: Pune
Date: 26 May 2020

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

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

(All amounts are in Indian rupees million unless otherwise stated)

		31 March 2020	31 March 2019
A.	**Cash flow from operating activities**		
	Net profit before tax	**831.346**	879.253
	Adjustments for:		
	Loss / (profit) on sale of property, plant and equipment	**-**	0.508
	Loss / (profit) on discardment of property, plant and equipment	**-**	0.092
	Gain on redemption of mutual fund investments	**(38.148)**	(105.306)
	Gain on redemption of bonds	**(4.315)**	-
	Bad Debts / Provision for doubtful debts and advances	**210.101**	188.930
	Excess provision / creditors written back (including advances)	**(1.864)**	(6.310)
	Unrealised foreign exchange (gain) / loss (net)	**8.105**	(36.442)
	Sundry Balances Written Off	**0.766**	0.658
	Depreciation and amortisation	**218.461**	229.496
	Interest earned	**(103.518)**	(76.045)
	Unrealised gain on mutual fund investments	**(71.182)**	(20.477)
	Dividend from mutual fund investments	**-**	(0.064)
	Interest on Lease Liability	**23.669**	-
	Interest charged	**0.405**	0.208
	Equity-settled share-based payment transactions	**13.765**	29.986
	Operating profit before working capital changes	**1087.591**	**1084.487**
	Changes in working capital		
	(Increase) /decrease in trade receivables	**(422.919)**	(635.790)
	(Increase)/decrease in inventories (including contracts in progress)	**330.864**	(701.044)
	(Increase)/decrease in non-current loans	**(9.730)**	21.988
	(Increase)/decrease in other non-current financial assets	**104.825**	(161.269)
	(Increase)/decrease in other non-current assets	**8.713**	16.931
	(Increase)/decrease in current loans	**1.438**	(0.873)
	(Increase)/decrease in other current assets	**97.442**	(117.226)
	Increase/(decrease) in trade payables	**(483.799)**	597.497
	Increase/(decrease) in other current financial liabilities	**(83.377)**	37.953
	Increase/(decrease) in other current liabilities	**(247.125)**	347.323
	Increase/(decrease) in long term provisions	**12.972**	(0.389)
	Increase/(decrease) in short term provisions	**(72.309)**	46.773
	Cash generated from operations	**324.586**	**536.361**
	Direct taxes paid (including taxes deducted at source), net of refunds	**(177.862)**	(206.444)
	NET CASH FROM OPERATING ACTIVITIES	**146.724**	**329.917**

		31 March 2020	31 March 2019
B.	**Cash flow from investing activities**		
	Purchase of property, plant and equipment and intangible assets	**(71.196)**	(141.596)
	Investments:		
	- in mutual funds	**(650.000)**	(1395.300)
	- in debentures & bonds	**-**	(348.100)
	Sale of investments		
	- in mutual funds	**1183.231**	1885.833
	- in debentures & bonds	**54.417**	-
	Proceeds from sale of property, plant and equipment	**2.912**	3.560
	Interest received on investments	**105.361**	49.495
	Dividend received on investments	**-**	0.064
	Investment /(redemption) in fixed deposits	**(4.050)**	(113.100)
	NET CASH FROM / (USED) IN INVESTING ACTIVITIES	**620.675**	**(59.144)**
C.	**Cash flow from financing activities**		
	Proceeds from exercise of employee stock options	**25.611**	88.905
	Increase / (Decrease) in Long term borrowings	**(0.410)**	(0.410)
	Increase / (Decrease) in borrowings	**-**	(59.418)
	Dividend paid including dividend distribution tax	**(949.458)**	(463.283)
	Interest on Lease Liability	**(23.669)**	-
	Principal Payment on Leases	**(32.001)**	-
	Interest paid	**(0.405)**	(0.208)
	NET CASH FROM / (USED) IN FINANCING ACTIVITIES	**(980.332)**	**(434.414)**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(212.933)**	**(163.641)**
	Cash and cash equivalents at the beginning of the year (Refer Note 10)	**635.598**	**772.250**
	Add: effect of exchange rate changes on cash and cash equivalents	**35.762**	**26.989**
	Cash and cash equivalents at the end of the year (Refer Note 10)	**458.427**	**635.598**

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 **M/s P.G. Bhagwat**
Chartered Accountants
Firm Regn No: 101118W

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

Sandeep Rao
Partner
Membership No.: 47235

Dr. Pramod Chaudhari
Executive Chairman
(DIN : 00196415)

Shishir Joshipura
CEO and Managing Director
(DIN : 00574970)

Sachin Raole
CFO and Director - Finance & Commercial
(DIN : 00431438)

Place: Pune
Date: 26 May 2020

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

Statement of changes in equity for the year ended 31st March 2020

(All amounts are in Indian rupees million unless otherwise stated)

A. Equity share capital

Balance as on 1 April 2018	Changes in equity share capital during the year	Balance as on 31 March 2019
361.865	3.431	365.296
Balance as on 1 April 2019	**Changes in equity share capital during the year**	**Balance as on 31 March 2020**
365.296	1.024	366.320

B. Other equity

Particulars	Reserves and Surplus									Total attributable to owners of the company	Non controlling interest	Total
	Capital Reserve	Securities Premium Reserve	Other Reserves			Special Economic Zone Re-investment Reserve	General reserve	Retained earnings	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 2018	**0.033**	**815.401**	**14.627**	**3.063**	**40.954**	**71.548**	**958.500**	**4978.764**	**16.602**	**6899.492**	**6.600**	**6906.092**
Profit for the year								682.032		682.032	0.043	682.075
Other comprehensive income								4.305	1.986	6.291		6.291
Dividends (including dividend distribution tax)								(464.507)		(464.507)		(464.507)
Employee stock options exercised during the year		121.764			(36.290)					85.474		85.474
Equity settled share based payment to employees					29.986					29.986		29.986
Employee stock options expired and transferred to/from statement of profit and loss					(9.058)			9.058		-		-
Transfer to Special Economic Zone Re-investment Reserve						61.400		(61.400)		-		-
Adjustments to Opening Retained Earnings - Ind AS 115								(153.912)		(153.912)		(153.912)
Balance as on 31 March 2019	**0.033**	**937.165**	**14.627**	**3.063**	**25.592**	**132.948**	**958.500**	**4994.340**	**18.588**	**7084.856**	**6.643**	**7091.499**
Balance at the beginning of the reporting period as at 1 April 2019	**0.033**	**937.165**	**14.627**	**3.063**	**25.592**	**132.948**	**958.500**	**4994.340**	**18.588**	**7084.856**	**6.643**	**7091.499**
Profit for the year								704.309		704.309	0.054	704.363
Other comprehensive income								(13.663)	10.369	(3.294)		(3.294)
Dividends (including dividend distribution tax)								(953.162)		(953.162)		(953.162)
Employee stock options exercised during the year		40.141			(15.555)					24.586		24.586
Equity settled share based payment to employees					13.766					13.766		13.766
Employee stock options expired and transferred to/from statement of profit and loss					(4.305)			4.305		-		-
Transfer to Special Economic Zone Re-investment Reserve						159.500		(159.500)		-		-
Adjustments to Opening Retained Earnings - Ind AS 116								(44.893)		(44.893)		(44.893)
Balance as on 31 March 2020	**0.033**	**977.306**	**14.627**	**3.063**	**19.498**	**292.448**	**958.500**	**4531.736**	**28.957**	**6826.168**	**6.697**	**6832.865**

Notes to the Consolidated financial statements for the year ended 31st March 2020

(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 consolidated financial statements were authorised for issue by the Board of Directors on 26 May 2020.

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	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 26
- Estimation of defined benefit obligation – Note 33
- Recognition of revenue – Note 29
- Recognition of deferred tax assets for carried forward tax losses – Note 26
- Impairment of trade receivables – Note 39

Estimation and underlying assumptions are reviewed on ongoing basis. Revisions to estimates are recognised prospectively.

(All amounts are in Indian rupees million unless otherwise stated)

2.5 Current versus non-current classification

The group 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 Principles of consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiaries as at 31 March 2020. 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 20. 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 2020	31 March 2019
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 Industries (Namibia) (Pty) Ltd	Namibia	**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 Limited Inc.,	Philippines	**100.00%**	100.00%

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'.

- **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.

Notes to the Consolidated financial statements for the year ended 31st March 2020

(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.

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.

(All amounts are in Indian rupees million unless otherwise stated)

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 fair value of the consideration received or receivable. Amounts included in revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes, goods and services tax 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 / Focus Market Scheme (FMS) / Focus Product Scheme (FPS) / Merchandise Exports Incentive Scheme (MEIS) claims are recognised in the statement of profit and loss on receipts basis.

Notes to the Consolidated financial statements for the year ended 31st March 2020

(All amounts are in Indian rupees million unless otherwise stated)

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 benefits**

  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 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.

  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.

Notes to the Consolidated financial statements for the year ended 31st March 2020

(All amounts are in Indian rupees million unless otherwise stated)

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.

- **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.

Notes to the Consolidated financial statements for the year ended 31st March 2020

(All amounts are in Indian rupees million unless otherwise stated)

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 whole) 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.

(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 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 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.

Notes to the Consolidated financial statements for the year ended 31st March 2020

(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 39 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.

2.28 Standards issued but not effective

Exposure draft on amendments to following standards have been issued by the Institute of Chartered Accountants of India:

1. Ind AS 40, "Investment Property"
2. Ind AS 1 "Presentation of Financial Statements" and Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"
3. Ind AS 103, "Business Combinations"
4. Ind AS 109, "Financial Instruments" and Ind AS 107, "Financial Instruments: Disclosure"

However, such exposure drafts have not been notified by the Ministry of Corporate Affairs ('MCA') to be applicable from 1 April, 2020 as at the date of approval of these financial statements.

Details of the amendments:

Amendment to existing standards:

1. Amendments to Ind AS 40, Investment Property

   The exposure draft on amendments to Ind AS 40 issued by the Institute of Chartered Accountants of India proposes to reinstate the fair value option thereby providing the entities an accounting policy choice to subsequently measure investment properties using either the cost model or the fair value model.

   The amendments are proposed to be effective for annual reporting periods beginning on or after 1 April 2020.

2. Amendments to Ind AS 1 "Presentation of Financial Statements" and Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"

   The exposure draft on amendments to Ind AS 1 and Ind AS 8 issued by the Institute of Chartered Accountants of India proposes to amended the definition of the term "Material" and to use a consistent definition of materiality throughout Indian Accounting Standards and the Conceptual Framework for Financial Reporting.

   The amendment clarifies when information is material. In particular, the amendments clarify:

   - that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
   - the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

   The amendments are proposed to be effective for reporting periods beginning on or after 1 April 2020.

3. Amendments to Ind AS 103, Business Combinations

   The exposure draft on amendments to Ind AS 103 issued by the Institute of Chartered Accountants of India proposes to amend the definition of "Business". Proposed guidance provides that an acquisition should include an input and a substantive process that together significantly contribute to the ability to create outputs.

   The new guidance provides a framework to evaluate when an input and a substantive process are present (including for early stage companies that have not generated outputs). To be a business without outputs, there will now need to be an organised workforce.

   It is no longer necessary to assess whether market participants are capable of replacing missing elements or integrating the acquired activities and assets and base the assessments on what has been acquired in its 'current state and condition'. The amendment also provides for an 'optional test', where substantially all of the fair value of gross assets is concentrated in a single asset (or group of similar assets), the assets acquired would not represent a business.

   The amendments are proposed to be effective for reporting periods beginning on or after 1 April 2020.

Notes to the Consolidated financial statements for the year ended 31st March 2020

(All amounts are in Indian rupees million unless otherwise stated)

4. Amendments to Ind AS 109, Financial Instruments and Ind AS 107 Financial Instruments: Disclosures -

Interest Rate Benchmark Reform

The exposure draft on amendments to Ind AS 109 and Ind AS 107 issued by the Institute of Chartered Accountants of India proposes amendments to modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the Inter Bank Offer Rate (IBOR) reforms.

Additionally, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

New Standards issued –

1. Indian Accounting Standard (Ind AS) 117, Insurance Contracts

The exposure draft of Ind AS 117 was issued by the Institute of Chartered Accountants of India as replacement for Ind AS 104 Insurance Contracts. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of:

- discounted probability-weighted cash flows
- an explicit risk adjustment, and
- a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period.

The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under Ind AS 109.

An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers.

There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model.

The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

The new standard is proposed to be effective for reporting periods beginning on or after 1 April 2020.

Notes to the Consolidated financial statements for the year ended 31st March 2020

(All amounts are in Indian rupees million unless otherwise stated)

3 Property, plant and equipment, capital work-in-progress, investment property and intangible assets

	Property, plant and equipment											Intangible Assets			Goodwill	Investment property	Grand total
	Land		Land (Freehold)	Buildings		Plant and machinery	Computers & Office Equipment		Vehicles	Furniture and fixtures	Total	Technical knowhow	Software	Total		Land (Freehold)	
	(Leasehold) Refer Note 1	Right-of-Use		Owned	Leased		Owned	Leased									
Gross Block																	
As at 1 April 2019	11.000	230.705	370.517	1503.415	61.242	1620.801	295.429	-	63.853	260.668	4417.630	93.753	101.272	195.025	822.712	136.928	5572.295
Additions / adjustments	-	13.249	-	2.845	1.733	57.505	9.059	12.914	-	0.436	97.741	-	3.169	3.169	-	-	100.910
Deletions	-		-	-	-	9.211	-	-	-	-	9.211	-	-	-	-	-	9.211
Adjustments	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2020	**11.000**	**243.954**	**370.517**	**1506.260**	**62.975**	**1669.095**	**304.488**	**12.914**	**63.853**	**261.104**	**4506.160**	**93.753**	**104.441**	**198.194**	**822.712**	**136.928**	**5663.994**
Accumulated depreciation and amortisation																	
As at 1 April 2019	0.759	118.022	-	415.331	15.310	1090.313	271.199	-	22.271	198.067	2131.272	91.224	94.436	185.660	196.562	-	2513.494
Charge for the year	0.123	21.487	-	45.808	12.711	97.994	12.527	1.070	7.612	14.790	214.122	0.540	3.798	4.338	-	-	218.460
Deletions / Adjustments	-	-	-	-	-	6.299	-	-	-	-	6.299	-	-	-	-	-	6.299
As at 31 March 2020	**0.882**	**139.509**	**-**	**461.139**	**28.021**	**1182.008**	**283.726**	**1.070**	**29.883**	**212.857**	**2339.095**	**91.764**	**98.234**	**189.998**	**196.562**	**-**	**2725.655**
Net Carrying value																	
As at 31 March 2020	10.118	104.445	370.517	1045.121	34.954	487.087	20.762	11.844	33.970	48.247	2167.065	1.989	6.207	8.196	626.150	136.928	2938.339
As at 31 March 2019	10.241	-	370.517	1088.084	-	530.488	24.228	-	41.582	62.601	2127.741	2.529	6.836	9.365	626.150	136.928	2900.184

Note:

1. The land has been taken on a long term lease i.e. for 99 years.
2. Refer Note 28 for contractual commitments for the acquisition of property plant and equipment.

Notes to the Consolidated financial statements for the year ended 31st March 2020

(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	Capital work-in-progress	
	31 March 2020	31 March 2019
Balance at start of the year	**22.254**	41.699
Add: Additions during the year	**18.475**	20.855
Less: Capitalised during the year	**19.934**	40.300
Balance at the end of the year	**20.795**	22.254

Capital work-in-progress (CWIP) comprises of:

a. Building INR 0.847 million (31 March 2019 INR 0.847 million)

b. Machinery INR 19.948 million (31 March 2019 INR 21.407 million)

Investment property: Reconciliation of Fair Value

Particulars	Land
Fair value as at 31 March 2019	**369.136**
Fair value difference	**18.457**
Fair value as at 31 March 2020	**387.593**

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.

(All amounts are in Indian rupees million unless otherwise stated)

		31 March 2020	31 March 2019
4	**Investments**		
	(i) Unquoted Investments:		
	Investment in Shares	**-**	0.102
	5100 (31 March 2018 : 5100) shares of INR 20 each fully paid of The Cosmos Co-operative Bank Limited.		
		-	0.102
	Investment in National saving certificate	**0.013**	0.013
	Less : Provision for Diminution in value of investment	**-**	-
		0.013	0.115
	Other Investments (valued at cost unless stated otherwise)		
	(ii) Investments at amortised cost		
	Quoted investments in non-convertible debentures / bonds:		
	300 Bonds issued by HDFC Bank Limited Unsecured Non-Convertible Perpetual Bonds Series 1/2017-18, Coupon 8.85% (31 March 2019 : 300)	**300.210**	300.210
	100 Bonds issued by SBI Unsecured Non-Convertible Perpetual Bonds Series IV, Coupon 8.15% (31 March 2019 : 100)	**97.850**	97.850
		398.060	398.060
	(iii) Investments at fair value through profit and loss (FVTPL)		
	Quoted investments in non-convertible debentures / bonds:		
	NIL Non-convertible Debentures issued by Citicorp Finance (India) Limited Series-2019/02/726 (31 March 2019 : 500)	**-**	49.990
	Total	**-**	49.990
	Total non-current	**398.073**	448.165
	Market value of quoted investments		
	Current investments		
	(i) Investments at fair value through profit and loss (FVTPL)		
	Quoted mutual funds		
	ADITYA BIRLA SUN LIFE FMP SR-SI 1141 DAYS - 30,00,000 Units (31 March 2019 : 30,00,000 Units)	**33.402**	30.385
	ADITYA BIRLA SUN LIFE FMP SR-SI 1120 DAYS - 5,000,000 Units (31 March 2019 : 5,000,000 Units)	**55.149**	50.156
	DSP FMP S 220 - 40 M - DIRECT GW - 5,000,000 Units (31 March 2019 : 5,000,000 Units)	**59.313**	54.386
	FRANKLIN INDIA SAVINGS FUND RETAIL-GW - 2,862,420.019 Units (31 March 2019 : Nil Units)	**105.912**	-
	FRANKLIN IND SAVING FUND-DIRECT - 1,344,892.234 Units (31 March 2019 : Nil Units)	**50.989**	-
	HDFC FMP 1133 DAYS DIRECT GR SR-44 - 5,000,000 Units (31 March 2019 : 5,000,000 Units)	**55.742**	50.686
	HSBC FTS 128 -GROWTH DIRECT PLAN - 1106 DAYS -5,000,000 Units (31 March 2019 : 5,000,000 Units)	**61.468**	57.108
	ICICI FIXED MATURITY PLAN SRS 82 - 1185 DAYS - 5,000,000 Units (31 March 2019 : 5,000,000 Units)	**59.496**	54.511
	ICICI FIXED MATURITY PLAN SRS 82 - 1135 DAYS - 5,000,000 Units (31 March 2019 : 5,000,000 Units)	**58.936**	54.023
	ICICI PRUDENTIAL ULTRA SHORT TERM FUND-GRW - 2,673,868.285 Units (31 March 2019 : 2,673,868.285 Units)	**54.456**	50.484

Notes to the Consolidated financial statements for the year ended 31st March 2020

(All amounts are in Indian rupees million unless otherwise stated)

	31 March 2020	31 March 2019
INVESCO INDIA ACTIVE INCOME FUND-DIR PL-GW - 24,862.734 Units (31 March 2019 : 24,862.734 Units)	**59.859**	54.434
KOTAK FMP SERIES 267 DIRECT GW - 5,000,000 Units (31 March 2019 : 5,000,000 Units)	**55.127**	50.000
RELIANCE FIXED HORIZON FUND-XXXV-SR14 - 5,000,000 Units (31 March 2019 : 5,000,000 Units)	**59.561**	54.612
RELAINCE FIXED HORIZON-XXXVII-SR04 - 5,000,000 Units (31 March 2019 : 5,000,000 Units)	**60.297**	54.700
SBI DEBT FUND SERIES - C - 8(1175 DAYS)-DG - 5,001,814.194 Units (31 March 2019 : 5,001,814.194 Units)	**59.342**	54.470
TATA FIXED MATURITY PLAN SRS 53 SCHEME A - 5,000,000 Units (31 March 2019 : 5,000,000 Units)	**58.970**	53.979
UTI - FIXED TERM INCOME FUND SRS XXIX (1112 DAYS) - 5,000,000 Units (31 March 2019 : 5,000,000 Units)	**52.071**	53.238
ABSL SAVINGS FUND - GROWTH - REGULAR PLAN - Nil Units (31 March 2019 : 289,924 Units)	-	107.022
DSP BANKING AND PSU DEBT FUND - REG - GW - Nil Units (31 March 2019 : 3,344,369.754 Units)	-	52.771
FRANKLIN INDIA ULTRA SHORT BOND FUND GW- Nil Units (31 March 2019 : 6,195,013.627 Units)	-	162.736
HDFC CORPORATE BOND FUND - GW - Nil Units (31 March 2019 : 2,630,249.979 Units)	-	54.737
KOTAK MONEY MARKET SCHEME-GRW-REG PLAN - Nil Units (31 March 2019 : 16413.422 Units)	-	50.502
L&T SHORT TERM OPPORTUNITIES FUND-GW - Nil Units (31 Mar 2019 : 3,064,326.338 Units)	-	54.697
RELIANCE FIXED HORIZON FUND-XXXI-SR9 - Nil Units (31 March 2019 : 5,000,000 Units)	-	60.499
SBI ARBITRAGE OPPORTUNITIES FUND-REG GW - Nil Units (31 March 2019 : 2,125,281.068 Units)	-	51.012
SBI MAGNUM ULTRA SHORT BOND FUND - REG GW - Nil Units (31 March 2019 : 12,750.972 Units)	-	52.852
Total	**1000.090**	1424.000
(ii) Investments at amortised cost		
Unquoted investments:		
Deposit with Bajaj Finance Limited	**237.000**	232.950
Total current	**1237.090**	1656.950
Aggregate book value of quoted investments	**1398.150**	1872.050
Aggregate market value of quoted investments	**1393.563**	1868.150
Aggregate book value of unquoted investments	**237.013**	233.065

5 Loans

Non-current		
Security deposits		
Unsecured considered good	**59.859**	50.129
	59.859	50.129

(All amounts are in Indian rupees million unless otherwise stated)

	31 March 2020	31 March 2019
Current		
Security deposits		
Unsecured considered good	**0.141**	1.579
	0.141	1.579
	60.000	51.708

No loans are due from directors or other officers of the Company either severally or jointly with any other person. Nor any loans are due from firms or private companies respectively in which any director is a partner, a director or a member.

	31 March 2020	31 March 2019
6 Other financial assets		
Non-current		
Deposits with banks with an original maturity of more than 12 months	**126.689**	231.514
	126.689	231.514
Current		
Foreign exchange forward contracts	**-**	20.599
Interest accrued on fixed deposits and bonds	**39.383**	41.225
	39.383	61.824
Total other financial assets	**166.072**	293.338
7 Other assets		
Non-current		
Capital advances	**5.880**	6.241
Balances with central excise, customs and Value added tax authorities	**82.028**	92.358
Prepaid expenses	**4.981**	18.346
	92.889	116.945
Current		
Contracts in progress (Refer note 29)	**1038.651**	1217.135
Advances to suppliers	**255.419**	173.468
Balances with central excise, customs and Value added tax authorities	**113.918**	59.754
Prepaid expenses	**20.542**	35.969
Amounts receivable in cash or kind	**103.028**	111.827
	1531.558	1598.153
Total Other assets	**1624.447**	1715.098
8 Inventories (valued at lower of cost and net realisable value)		
Raw materials	**741.867**	1040.726
Work in progress	**319.229**	188.374
Finished goods	**50.292**	34.668
	1111.388	1263.768

Note: Write-down of inventories to net realizable value amounted to INR 4.791 (31 March 2019: INR 4.391). These were recognized as an expense during the year and included in 'Cost of materials consumed'.

Notes to the Consolidated financial statements for the year ended 31st March 2020

(All amounts are in Indian rupees million unless otherwise stated)

		31 March 2020	31 March 2019
9	**Trade Receivables**		
	Current		
	Unsecured, considered good	**3301.379**	3052.911
	Unsecured, considered doubtful	**966.059**	846.978
		4267.438	3899.889
	Less: Impairment allowance (allowance for bad and doubtful debts)	**966.059**	846.978
		3301.379	3052.911
	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		
10	**Cash and cash equivalents**		
	Balances with banks		
	On current accounts	**222.299**	378.876
	Deposits with original maturity of less than 3 months	**232.762**	255.304
	Cheques, drafts on hand	**1.544**	-
	Cash on hand	**1.822**	1.418
		458.427	635.598
11	**Other bank balances**		
	Unclaimed dividend account	**15.224**	11.527
	Deposits with maturity for more than 3 months but less than 12 months	**19.472**	232.500
		34.696	244.027

		31 March 2020		31 March 2019	
12	**Equity Share Capital**				
	Authorised shares				
	450,000,000 (31 March 2019: 450,000,000) equity shares of INR 2 each		**900.000**		900.000
	Issued, subscribed and fully paid-up shares				
	183,160,060 (31 March 2019: 182,647,850) equity shares of INR 2 each		**366.320**		365.296
	Total		**366.320**		365.296
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	**18,26,47,850**	**365.296**	18,09,32,415	361.865
	Add: Allotted during the period pursuant to exercise of employees stock options (Refer note 34)	**5,12,210**	**1.024**	17,15,435	3.431
	Outstanding at the end of the period	**18,31,60,060**	**366.320**	182,647,850	365.296

(All amounts are in Indian rupees million unless otherwise stated)

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 1.62 per equity share for the financial year ended 31 March 2019 and the same was approved by the shareholders at the Annual General Meeting held on 23 July 2019. The amount was recognised as distributions to equity shareholders during the year ended 31 March 2020.

The Board of Directors declared an interim dividend of INR 2.70 per equity share during the financial year 2019-20. The amount was recognised as distributions to equity shareholders during the year ended 31 March 2020.

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 2020		31 March 2019	
Equity shares of INR. 2 each fully paid	**No.**	**% of holding**	No.	% of holding
Dr. Pramod Chaudhari (Promoter)	**3,87,00,000**	**21.13%**	3,87,00,000	21.19%
Parimal Chaudhari (Promoter)	**1,44,00,000**	**7.86%**	1,44,00,000	7.88%
HDFC Trustee Company Limited - HDFC Equity Fund	**1,47,13,221**	**8.03%**	1,59,69,221	8.74%
Tata Capital Financial Services Limited	**1,32,56,223**	**7.24%**	1,32,56,223	7.26%

e. Shares reserved for issue under options:

Shares reserved for issue under the Employee Stock Option Plan (ESOP) please refer note 34.

f. 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 2020	31 March 2019
Number of bonus shares issued, shares issued for consideration other than cash and shares bought back	-	-

Notes to the Consolidated financial statements for the year ended 31st March 2020

(All amounts are in Indian rupees million unless otherwise stated)

		31 March 2020	31 March 2019
13	**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	**937.165**	815.401
	Add : Employee stock options exercised	**24.586**	85.474
	Add : Transfer from Share option outstanding account on exercise of options	**15.555**	36.290
	Balance at the end of the year	**977.306**	937.165
	Share option outstanding account		
	Balance as at the beginning of the year	**25.592**	40.954
	Add : Employee stock option expense	**13.766**	29.986
	Less: Employee stock options expired and transferred to surplus in statement of profit and loss	**4.305**	9.058
	Less : Transfer to Securities Premium on exercise of options	**15.555**	36.290
	Balance at the end of the year	**19.498**	25.592
	Special Economic Zone Re-investment Reserve		
	Balance as at the beginning of the year	**132.948**	71.548
	Add : Transfer from Surplus in the Statement of Profit and Loss	**159.500**	61.400
	Balance at the end of the year	**292.448**	132.948
	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
	Exchange differences on translation of foreign operations		
	Balance at the beginning of the year	**18.588**	16.602
	Add : due to transactions during the year	**10.369**	1.986
	Balance at the end of the year	**28.957**	18.588
	Surplus in the Statement of Profit and Loss		
	Balance as at the beginning of the year	**4994.340**	4978.764
	Profit as per statement of profit and loss	**704.309**	682.032
	Other comprehensive income	**(13.663)**	4.305
	Add: Employee stock options expired and transferred from share option outstanding account	**4.305**	9.058
	Less: Appropriations		
	Interim/Final equity dividend	**790.643**	385.311
	Tax on Interim/final equity dividend	**162.519**	79.196
	Transfer to Special Economic Zone Re-investment Reserve	**159.500**	61.400
	Adjustments to Opening Retained Earnings - Ind AS 116/115	**44.893**	153.912
	Net Surplus in Statement of Profit and Loss	**4531.736**	4994.340
	Total Other Equity	**6826.168**	7084.856

(All amounts are in Indian rupees million unless otherwise stated)

		31 March 2020	31 March 2019
14	**Borrowings**		
	Non-current		
	Unsecured loan		
	Non-current government loan	-	0.410
	Less: Current maturities of non-current borrowings disclosed under the head 'other financial liabilities - current' (Refer note 17)	-	0.410
		-	-
	Loan received from Department of Biotechnology (DBT) carrying interest at the rate of 2%. (Refer note 17)		
15	**Provisions**		
	Provision for Employee Benefits		
	Compensated absences	**83.747**	68.846
	Gratuity	**88.023**	84.486
	Performance Incentive	-	5.466
		171.770	158.798
	Current		
	Provision for Employee Benefits		
	Compensated absences	**38.014**	32.574
	Gratuity	**34.504**	20.589
	Performance Incentive	-	72.075
		72.518	125.238
	Total provision	**244.288**	284.036
16	**Trade payables**		
	Current		
	-To related parties	-	-
	-To others		
	Total outstanding dues of micro enterprises and small enterprises (Refer note ii below)	**196.497**	191.082
	Total outstanding dues of creditors other than micro enterprises and small enterprises	**1678.436**	2154.270
		1874.933	2345.352
	Notes:		
	i. Trade payables are non-interest bearing and are normally settled on 30-90 days terms		
	ii. Interest due/payable to parties under MSMED Act, 2006	-	0.009
17	**Other financial liabilities**		
	Non-current		
	Lease Liability	**151.679**	-
		151.679	-
	Current		
	Current maturities of long term borrowings	-	0.410
	Unclaimed dividends	**15.207**	11.503
	Employee benefits payable	**42.421**	123.385
	Foreign exchange forward contracts	**34.072**	-
	Lease Liability	**56.064**	-
	Other payables	**26.962**	29.376
		174.726	164.674

Notes to the Consolidated financial statements for the year ended 31st March 2020

(All amounts are in Indian rupees million unless otherwise stated)

			31 March 2020	31 March 2019
18	**Other liabilities**			
	Current			
	Advances received from customers		**1637.854**	1743.445
	Dues to customers relating to contracts in progress (Refer Note 29)		**288.570**	428.676
	Statutory dues payable		**45.233**	46.660
			1971.657	2218.781
19	**Revenue from operations**			
	Sale of Products and Projects		**9608.994**	9162.321
	Add: Closing contracts in progress		**765.613**	807.866
	Less: Opening contracts in progress		**807.865**	184.573
		(a)	**9566.742**	9785.614
	Sale of Services		**1226.089**	1400.359
	Add: Closing contracts in progress		**(15.532)**	(19.406)
	Less: Opening contracts in progress		**(19.406)**	(45.680)
		(b)	**1229.963**	1426.633
	Other Operating revenue			
	Scrap Sales		**226.952**	160.510
	Sale of Licenses		**-**	38.363
		(c)	**226.952**	198.873
	Total Revenue from operations (a+b+c)		**11023.657**	11411.120
20	**Other income**			
	Foreign exchange fluctuation gain (net)		**39.515**	89.909
	Dividend from mutual fund investments - current investment		**-**	0.064
	Gain on redemption of investments (net)		**42.463**	105.306
	Investment In mutual fund fair valuation gain/loss		**71.182**	20.477
	Interest			
	- on fixed deposits		**59.490**	42.579
	- others		**44.028**	33.466
	Income calculated using effective interest rate method		**2.782**	2.664
	(Loss) / profit on sale of property,plant and equipment (net)		**-**	(0.600)
	Excess provision / creditors written back (including advances)		**1.864**	6.310
	Other non-operating income		**38.890**	22.791
			300.214	322.966
21	**Cost of materials consumed**			
	Raw material consumed		**5670.174**	6013.337
			5670.174	6013.337

(All amounts are in Indian rupees million unless otherwise stated)

		31 March 2020	31 March 2019
22	**(Increase) / Decrease in inventories of Finished Goods and Work in Progress**		
	Inventories at the end of the year		
	Work in progress	**319.229**	188.374
	Finished goods	**50.292**	34.668
		369.521	223.042
	Inventories at the beginning of the year		
	Work in progress	**188.374**	255.751
	Finished goods	**34.668**	49.324
		223.042	305.075
	(Increase) / Decrease in inventories	**(146.479)**	82.033
23	**Employee Benefit Expenses**		
	Salaries, wages and bonus	**1465.707**	1429.769
	Contributions to provident and other funds (Refer note 33 a)	**64.187**	58.913
	Gratuity Expense (Refer note 33 b)	**18.122**	17.298
	Employee stock option expense	**13.765**	29.986
	Staff welfare	**77.984**	69.723
		1639.765	1605.689
24	**Finance costs**		
	Interest expense	**0.405**	0.208
	Net interest cost on net defined benefit obligations (Refer note 33b)	**6.888**	7.423
	Interest on Lease Liability	**23.669**	-
		30.962	7.631

Notes to the Consolidated financial statements for the year ended 31st March 2020

(All amounts are in Indian rupees million unless otherwise stated)

		31 March 2020	31 March 2019
25	**Other Expenses**		
	Consumption of stores and spares	**143.118**	137.942
	Site expenses and labour charges	**1316.721**	1109.605
	Freight and transport	**234.698**	278.397
	Bad debts written off / Provision for doubtful debts and advances	**210.101**	188.930
	Sales commission	**138.998**	137.772
	Travel and conveyance	**234.511**	243.333
	Professional consultancy charges	**168.460**	164.302
	Insurance	**36.149**	35.910
	Rent (Refer note 32)	**30.806**	81.418
	Power and fuel	**61.486**	57.292
	Advertising and exhibition expenses	**26.330**	33.178
	Communication expenses	**21.357**	20.219
	Testing charges	**41.444**	31.139
	Repairs and maintenance:		
	Building	**7.123**	8.212
	Plant and Machinery	**27.300**	29.285
	Others	**34.802**	22.549
	Auditors' remuneration		
	for audit services	**5.014**	5.006
	for taxation services	**1.550**	1.450
	out of pocket expenses	**0.059**	0.100
	Directors' commission	**7.200**	7.200
	Rates and taxes	**5.920**	4.941
	Provision for diminution in value of investment / Loss on sale of shares	**-**	31.892
	Miscellaneous expenses	**326.495**	286.575
		3079.642	2916.647

(All amounts are in Indian rupees million unless otherwise stated)

		31 March 2020	31 March 2019
26	**Income tax**		
A	**Statement of profit and loss:**		
	Current income tax:		
	Current income tax charge (net of MAT credit utlisation of INR 85.405)	**181.906**	169.424
	Tax relating to earlier periods	**2.996**	(0.425)
	Deferred tax:		
	Relating to origination and reversal of temporary differences	**(57.919)**	28.179
	Income tax expense reported in the statement of profit and loss	**126.983**	197.178
B	**Statement of other comprehensive income:**		
	Deferred tax:		
	Remeasurements gains and losses on post employment benefits	**5.926**	(2.366)
	Income tax expense reported in the statement of other comprehensive income	**5.926**	(2.366)
C	**Reconciliation of effective tax rate**		
	Accounting profit before tax	**831.346**	879.253
	Tax using the Company's domestic tax rate 34.9440% (34.9440%)	**290.506**	307.246
	i Adjustments in respect of current income tax of previous years	**2.996**	(0.425)
	Less: Tax effect of:		
	i Tax rate difference on book profit as per Minimum Alternate Tax	**(175.606)**	(98.944)
	ii Tax effect on exempt income dividend	**-**	(0.021)
	iii Tax effect of reversal of Deffered Tax on adjustment to Opening Reserve in respect of IND AS 115	**-**	(82.674)
	iv Tax effect on Ind AS adjustments	**(23.386)**	(3.068)
	Add: Tax effect of		
	i Tax liability on IND AS adjustment to Retained earnings	**1.769**	1.772
	ii Tax liability on permanent Difference	**-**	1.811
	iii Tax liability on Doubtful debt provision under MAT	**44.957**	50.227
	iv Tax liability on Provision for Impairment of Investment under MAT	**34.091**	-
	v Tax liability on Expenditure debited to Reserves-ESOP expenses under MAT	**1.504**	-
	vi Deferred Tax expenses accounted as no effect of Timing differences on MAT liability	**(49.295)**	30.544
	vii Change in tax rate including subsidiaries	**(0.553)**	(9.290)
	Total	**126.983**	197.178
	Income tax expense reported in the statement of profit and loss	**126.983**	197.178

Notes to the Consolidated financial statements for the year ended 31st March 2020

(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 2020	31 March 2019	31 March 2020	31 March 2019
Deferred tax asset				
Provision for doubtful debts and advances	**335.168**	294.438	**(40.730)**	(52.475)
Gratuity	**42.256**	35.963	**(6.293)**	2.676
Long term capital losses	**-**	15.349	**15.349**	11.776
Carry forward business loss	**27.237**	0.224	**(27.013)**	4.390
Compensated absences	**41.563**	34.623	**(6.940)**	(1.174)
Percentage of completion on consolidated basis	**(3.113)**	5.315	**8.428**	3.087
Others	**19.297**	9.116	**(10.181)**	1.106
Lease Liability	**59.831**		**(59.831)**	
IND AS 115 Deferred Tax reversal				82.674
Total	**522.239**	395.028	**(127.211)**	52.060
Deferred tax liability				
Property, plant & equipment and intangible assets	**(339.611)**	(298.777)	**40.834**	(21.516)
Amortisation of prepaid lease rentals / others	**(2.022)**	(2.810)	**(0.788)**	0.001
Total	**(341.633)**	(301.587)	**40.046**	(21.515)
Net deferred tax asset / (liability)	**180.606**	93.441		
Deferred tax expense/(income)			**(87.165)**	30.545
- Recognised in the statement of profit and loss			**(57.919)**	28.179
- Recognised in the statement of other comprehensive income			**(5.926)**	2.366
- Recognised in retained earnings			**(23.320)**	-

27 Earnings per share

Particulars	31 March 2020	31 March 2019
Reconciliation of basic and diluted shares used in computing earnings per share		
Weighted average number of basic equity shares	**18,29,04,986**	18,18,20,960
Add: effect of dilutive potential equity shares:		
- Employee stock options	**2,50,680**	4,19,204
Weighted average number of diluted equity shares	**18,31,55,666**	18,22,40,164
Computation of basic and diluted earnings per share		
Net profit after tax attributable to equity shareholders	**704.309**	682.032
Basic earnings per equity share of INR 2 each	**3.85**	3.75
Diluted earnings per equity share of INR 2 each	**3.85**	3.74

(All amounts are in Indian rupees million unless otherwise stated)

28 Capital commitments and contingent liabilities

Particulars	31 March 2020	31 March 2019
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**13.230**	8.267
Other commitments		
Partly paid shares of Praj far east co. ltd., Thailand	**13.592**	12.828
Contingent liabilities		
Claims against Company not acknowledged as debts (primarily relating to performance related claims filed by customers)	**32.610**	49.847
Disputed demands in appeal towards income tax, service tax & sales tax	**203.603**	203.030
Guarantee issued in respect of obligations of a subsidiary	**589.280**	559.968

29 Disclosures pursuant to Ind AS 115-Revenue from Contracts with Customers

Particulars	31 March 2020	31 March 2019
Contract revenue recognised during the year (excluding taxes)	**8918.630**	9200.837
Aggregate amount of contract costs incurred and recognised profits (less recognised losses)	**12633.790**	11249.695
Customer advances outstanding for contracts in progress	**1044.264**	1321.421
Retention money due from customers for contracts in progress	**533.754**	597.087
Gross amount due from customers for contract work (presented as contracts in progress)	**1038.651**	1217.135
Gross amount due to customers for contract work (presented as dues to customers relating to contracts in progress)	**(288.570)**	(428.676)

I) Revenue by category of contracts:

Particulars	31 March 2020	31 March 2019
Over a period of time basis	**8948.296**	9062.814
At a point-in-time basis	**2075.361**	2348.306
Total revenue from contracts with customers	**11023.657**	11411.120

Revenue by geographical market:

Particulars	31 March 2020	31 March 2019
Within India	**7205.393**	7741.921
Outside India	**3818.264**	3669.199
Total revenue from contracts with customers	**11023.657**	11411.120

II) Contract balances

Particulars	31 March 2020	31 March 2019
Trade receivables	**3301.379**	3052.911
Unbilled Revenue (Contract Asset)	**1038.651**	1217.135
Unearned Revenue (Contract Liability)	**288.570**	428.676
Customer Advances (Contract Liability)	**1637.854**	1743.445

Notes to the Consolidated financial statements for the year ended 31st March 2020

(All amounts are in Indian rupees million unless otherwise stated)

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.

30 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.

31 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- Finance & Commercial	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
b)	**Entities controlled or jointly controlled by a person identified in (a)**	
	Praj Foundation	
	Plutus Properties LLP	

c) Transactions and balances with related parties have been set out below:

Particulars	31 March 2020	31 March 2019
Praj Foundation		
Donation paid	**13.044**	13.652
Plutus Properties LLP		
Rent	**3.423**	3.216
Dr. Pramod Chaudhari		
Short term employee benefits	**44.975**	49.035
Post employment benefits	**4.392**	4.392
Other long term employee benefits	**1.200**	1.080
Dividend	**167.184**	82.044
Payable	**-**	4.234

(All amounts are in Indian rupees million unless otherwise stated)

Particulars	31 March 2020	31 March 2019
Shishir Joshipura		
Short term employee benefits	**27.723**	27.177
Post employment benefits	**3.523**	3.426
Other long term employee benefit	**0.800**	0.732
Share based payment	**4.993**	1.117
Payable	**1.750**	0.959
Sachin Raole		
Short term employee benefits	**11.394**	7.477
Post employment benefits	**0.981**	0.860
Other long term employee benefit	**0.293**	0.180
Share based payment	**4.993**	1.835
Payable	**1.740**	2.520
Dividend	**0.243**	-
Dattatraya Nimbolkar		
Short term employee benefits	**5.870**	6.753
Post employment benefits	**0.574**	0.527
Other long term employee benefit	**0.107**	0.079
Share based payment	**-**	0.637
Payable	**0.200**	1.624
Dividend	**0.004**	-
Parimal Chaudhari		
Commission on profit	**1.550**	1.650
Dividend	**93.312**	45.792
Payable	**1.550**	1.650
Parth Chaudhari		
Remuneration	**2.916**	2.916

32 Leases

Effective 1 April 2019, the Company has adopted Ind AS 116 “Leases” using modified retrospective approach and applied the Standard to its leases retrospectively and has recognised the effect of the cumulative adjustment in the opening balance of retained earnings, on date of initial application (1 April 2019). Accordingly, comparatives for the period prior to the current quarter / year have not been restated.

Right of Use Asset was recognised with a corresponding Lease Liability amounting to INR 291.947. Adjustments debited to opening Retained Earnings in respect of depreciation on Right of Use asset amounting to INR 133.332, finance cost on lease liability amounting to INR 149.053; and credited to opening Retained Earnings in respect of actual rent paid amounting to INR 214.172 and creation of Deferred Tax Asset amounting to INR 23.320. Net adjustment of INR 44.893 have been debited to the opening Retained Earnings.

Nature of Leasing activity:

The Company has entered into lease arrangements for office and factory premises, residential premises for its employees, office equipments and computers.

Notes to the Consolidated financial statements for the year ended 31st March 2020

(All amounts are in Indian rupees million unless otherwise stated)

Particulars	31 March 2020
Depreciation for right-of-use asset	**35.269**
Interese expense on lease liabilities	**23.669**
Expenses relating to short-term / low value leases	**30.867**
Total Cash outhflow for leases	**86.537**
Carrying amount of right-of-use asset	**151.244**
Maturity analysis of lease liabilities:	
- less than 1 year	**39.291**
- between 1 to 3 years	**133.104**
- more than 3 years	**35.348**

33 Employee benefits

a) Defined contribution plans

The Company has recognised INR 64.187 (31 March 2019: INR 58.913) towards post-employment defined contribution plans comprising of provident 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 2020	31 March 2019
Present value of obligation as at the beginning of the period	**236.053**	222.541
Interest cost	**17.432**	16.207
Current service cost	**17.987**	17.160
Benefits paid	**(8.298)**	(13.827)
Remeasurements on obligation - (gain) / loss	**18.027**	(6.028)
Present value of obligation as at the end of the period	**281.201**	236.053

The changes in the fair value of planned assets representing reconciliation of opening and closing balances thereof are as follows:

Particulars	31 March 2020	31 March 2019
Fair value of plan assets at the beginning of the period	**131.097**	112.136
Interest income	**10.544**	8.785
Contributions	**19.857**	10.300
Benefits paid	**(1.121)**	(0.624)
Mortality Charges and Taxes	**(0.134)**	(0.142)
Return on plan assets, excluding amount recognized in interest income - gain / (loss)	**(1.561)**	0.642
Fair value of plan assets as at the end of the period	**158.682**	131.097

Amounts recognised in the balance sheet are as follows:

Particulars	31 March 2020	31 March 2019
Present value of obligation as at the end of the period	**281.201**	236.053
Fair value of plan assets as at the end of the period	**158.682**	131.097
Surplus / (deficit)	**(122.519)**	(104.956)

(All amounts are in Indian rupees million unless otherwise stated)

Amounts recognised in the statement of profit and loss are as follows:

Particulars	31 March 2020	31 March 2019
Current service cost	**17.987**	17.160
Net interest (income) / expense	**6.889**	7.422
Net periodic benefit cost recognised in the statement of profit and loss at the end of the period	**24.876**	24.582

Amounts recognised in the statement of other comprehensive income (OCI) are as follows:

Particulars	31 March 2020	31 March 2019
Remeasurement for the year - obligation (gain) / loss	**18.027**	(6.028)
Remeasurement for the year - plan assets (gain) / loss	**1.577**	(0.636)
Total remeasurements cost / (credit) for the year	**19.604**	(6.664)

Net interest (income) / expense recognised in statement of profit and loss are as follows:

Particulars	31 March 2020	31 March 2019
Interest (income) / expense - obligation	**17.433**	16.207
Interest (income) / expense - plan assets	**(10.544)**	(8.785)
Net interest (income) / expense for the year	**6.889**	7.422

The broad categories of plan assets as a percentage of total plan assets are as follows:

Particulars	31 March 2020	31 March 2019
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 2020	31 March 2019
Discount rate	**6.20%-6.90%**	7.50%-7.80%
Rate of increase in compensation levels	**5%-8%**	5%-8%
Expected rate of return on plan assets	**7.50%-7.80%**	7.50%-7.80%
Expected average remaining working lives of employees (in years)	**9.58-15.23**	9.67-15.95
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 2020	31 March 2019
Decrease by 1%	**297.255**	248.823
Increase by 1%	**267.129**	224.815

Notes to the Consolidated financial statements for the year ended 31st March 2020

(All amounts are in Indian rupees million unless otherwise stated)

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 2020	31 March 2019
Decrease by 1%	**268.912**	226.143
Increase by 1%	**294.841**	247.034

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 2020	31 March 2019
Decrease by 1%	**282.194**	235.881
Increase by 1%	**280.309**	236.203

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.

34 Employee Stock Option Plan (ESOP)

During the year 2018-19 1,625,000 options were granted to certain employees of the Company as ESOP 2011- Grant VIII to X.

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. The stock options granted are exercisable at 100% of the fair market value of the underlying equity shares of the Company as on the date of grant.

Amount of employee compensation expense recognised for employee services received during the year:

Particulars	31-Mar-20	31 March 2019
Expense arising from equity-settled share-based payment transactions	**13.765**	29.986

(All amounts are in Indian rupees million unless otherwise stated)

Movements during the year
ESOP 2011 Grant I to X

Particulars	31 March 2020		31 March 2019	
	Options	**Weighted average exercise price INR**	Options	Weighted average exercise price INR
Number of options outstanding at the beginning of the year	**23,95,098**	**62.82**	28,85,533	54.91
Number of options granted during the year	-	-	16,25,000	68.89
Number of options exercised during the year	**(5,12,210)**	**50.00**	(17,15,435)	51.83
Number of options forfeited/lapsed during the year	**(55,580)**	**60.80**	(4,00,000)	77.60
Number of options outstanding at the end of the year	**18,27,308**	**66.47**	23,95,098	62.82
Number of options exercisable at the end of the year	**3,22,308**	**50.00**	7,70,098	50.00
Range of exercise price of options outstanding at the end of the year	**INR 50.00 to 70.00**		INR 50.00 to 70.00	
Average share price during the year	**INR 113.78**		INR 106.11	
Weighted average remaining contractual life of options outstanding at the end of the year	**2.90 years**		3.13 years	
Weighted average fair value of option as on date of grant (granted during the year)	-	-	15-Dec-18	59.41
			15-Jan-19	89.90
			28-Jan-19	61.86
			28-Jan-19	62.48

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 2018-19			
Grant date	**15 Dec 2018**	**15 Jan 2019**	**28 Jan 2019**	**28 Jan 2019**
Risk-free interest rate	**7.04%**	**6.83%**	**6.78%**	**6.78%**
Expected life	**1.03 years**	**1.59 years**	**1.55 years**	**1.65 years**
Expected volatility*	**57.46%**	**60.39%**	**61.51%**	**61.51%**
Expected dividend yield	**2.07%**	**2.07%**	**2.07%**	**2.07%**
Price of the underlying share in market at the time of grant of option (INR)	**106.70**	**153.10**	**121.30**	**121.30**

* Expected volatility has been determined based on closing price of the share of the Company over a period equivalent to expected life.

35 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 2020	31 March 2019
Capital expenditure (Including capital work-in-progress and excluding advances)	**31.955**	27.375
Revenue expenditure	**198.958**	167.767

Notes to the Consolidated financial statements for the year ended 31st March 2020

(All amounts are in Indian rupees million unless otherwise stated)

36 Taxes

The company has not recognised MAT credit entitlement to the extent of INR 81.319 till 31 March, 2020 in respect of Income Tax paid in view of uncertainity of its utilisation for payment of tax in foreseeable future. During the year un-recognised MAT credit to the extent of INR 85.405 has been utilised.

37 Corporate Social Responsibility (CSR) expenditure

The Company was required to spend INR 14.044 as expenditure on CSR as per requirements of the Companies Act, 2013. During the year, the Company has incurred CSR expenses of INR 14.044 as follows:

Amount spent on	Amounts paid	Yet to be paid
Construction/acquisition of asset	Nil	Nil
On other purposes covered under Schedule VII to Companies Act, 2013	14.044*	Nil

* Includes INR 13.044 given to Praj Foundation which is a related party.

The above expenditure includes contribution/donation of INR 14.044 to trusts / institute which are engaged in activities eligible under section 135 of Companies Act, 2013 read with Schedule VII thereto.

38 Fair value measurements

As per assessments made by the management, fair values of all financial instruments carried at amortised cost (except as specified below) 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 using quoted prices

Sr. No	Particulars	Carrying value	
		31 March 2020	31 March 2019
	Financial asset		
	Levelled at level 2		
a)	**Carried at amortised cost**		
	Investment in Shares	-	0.102
	Investment in quoted perpetual bonds*	**398.060**	398.060
	Investment in deposits	**237.000**	232.950
	Investment in National saving certificate	**0.013**	0.013
	Security deposits	**59.859**	51.708
	Trade receivable	**3301.379**	3052.911
	Deposits with banks	**126.689**	231.514
	Other receivables	**39.383**	41.225
	Cash and cash equivalents & Other bank balances	**493.123**	879.625
b)	**Carried at fair value through profit and loss (FVTPL)**		
	Foreign exchange forward contracts	-	20.599
	(The fair value is as per the mark-to-market valuation from banks)		
	Levelled at level 1		
a)	Investments in mutual funds	**1000.090**	1424.000
b)	Investments in debentures	-	49.990

(All amounts are in Indian rupees million unless otherwise stated)

Sr. No	Particulars	Carrying value	
		31 March 2020	31 March 2019
	Financial liabilities		
	Levelled at level 2		
a)	**Carried at amortised cost**		
	Borrowings	-	0.410
	Trade payables	**1874.933**	2345.352
	Unclaimed dividends	**15.207**	11.503
	Lease Liability	**207.743**	-
	Other payables	**69.383**	152.761
b)	**Carried at fair value through profit and loss (FVTPL)**		
	Foreign exchange forward contracts	**34.072**	-
	(The fair value is as per the mark-to-market valuation from banks)		
*	Fair value of investment in quoted perpetual bonds	**393.473**	394.160

39 Financial risk management policy and objectives

Company's principal financial liabilities, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. 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 advances to subsidiaries, 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.

Notes to the Consolidated financial statements for the year ended 31st March 2020

(All amounts are in Indian rupees million unless otherwise stated)

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.

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 2020	31 March 2019
Trade receivables	**4267.438**	3899.889
Less : expected loss	**966.059**	846.978
	3301.379	3052.911

	31 March 2020	31 March 2019
Trade receivables		
Neither past due nor impaired	**1165.184**	1066.683
Less than 180 days	**1716.918**	1524.685
181 - 365 days	**187.199**	152.766
More than 365 days	**232.078**	308.777
Total	**3301.379**	3052.911

Reconciliation of loss provision

	31 March 2020	31 March 2019
Loss allowance as at 31 March 2019	**846.978**	**749.526**
Changes in loss allowance	**119.081**	**97.452**
Loss allowance as at 31 March 2020	**966.059**	**846.978**

(All amounts are in Indian rupees million unless otherwise stated)

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 2020	31 March 2019
Interest bearing borrowings		
On demand	**-**	-
Less than 180 days	**-**	0.205
181 - 365 days	**-**	0.205
More than 365 days	**-**	-
Total	**-**	0.410
Other liabilities		
On demand	**15.207**	11.503
Less than 180 days	**88.208**	152.761
181 - 365 days	**37.239**	-
More than 365 days	**151.679**	-
Total	**292.333**	164.264
Trade payables		
On demand	**-**	-
Less than 180 days	**1874.933**	2345.352
181 - 365 days	**-**	-
More than 365 days	**-**	-
Total	**1874.933**	2345.352

The group has access to following undrawn facilities at the end of the reporting period.

	31 March 2020	31 March 2019
Expiring within one year	**410.000**	380.000
Expiring beyond one year	**-**	-

(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.

Notes to the Consolidated financial statements for the year ended 31st March 2020

(All amounts are in Indian rupees million unless otherwise stated)

Foreign currency exposure :

Financial assets	Currency	Amount in foreign currency		Amount in INR	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
Trade receivables	EUR	**0.431**	1.034	**32.737**	78.234
	USD	**13.109**	9.153	**980.722**	627.680
	GBP	**0.180**	0.182	**16.584**	16.282
Bank accounts	EUR	**0.047**	0.094	**3.880**	7.202
	USD	**1.311**	2.029	**98.022**	138.824
Foreign exchange forward contracts	EUR	**-**	-	**-**	-
	USD	**11.350**	8.150	**850.569**	559.335

Financial liabilities	Currency	Amount in foreign currency		Amount in INR	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
Trade payables	EUR	**0.630**	1.224	**52.746**	95.992
	USD	**2.057**	2.625	**154.862**	183.185
	GBP	**0.000**	-	**0.012**	-

Currency wise net exposure (assets -liabilities)

Particulars	Amount in foreign currency		Amount in INR	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
EUR	**(0.152)**	(0.096)	**(16.129)**	(10.556)
USD	**23.713**	16.707	**1774.451**	1142.654
GBP	**0.180**	0.182	**16.572**	16.282

Sensitivity analysis

Currency	Amount in INR		Sensitivity %		Impact on profit- strengthen [Loss / (Gain)]		Impact on profit - weakening [Loss / (Gain)]	
	2020	2019			2020	2019	2020	2019
EUR	**(16.129)**	(10.556)		5.00%	**0.806**	0.528	**(0.806)**	(0.528)
USD	**1774.451**	1142.654		5.00%	**(88.723)**	(57.133)	**88.723**	57.133
GBP	**16.572**	16.282		5.00%	**(0.829)**	(0.814)	**0.829**	0.814
Total	**1774.894**	1148.380			**(88.746)**	(57.419)	**88.746**	57.419

(GBP - Great Britain Pound, EUR- Euro, USD - US Dollar)

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).

(All amounts are in Indian rupees million unless otherwise stated)

The company's strategy is to maintain a gearing ratio of 0%. The gearing ratios were as follows:

	31 March 2020	31 March 2019
Loans and borrowings	-	-
Other financial liability	-	0.410
Less: cash and cash equivalents	**458.427**	635.598
Net debt	-	-
Equity	**7199.186**	7456.795
Capital and net debt	**7199.186**	7456.795
Gearing ratio	**0%**	0%

41 Additional information, as required under schedule III to the companies Act, 2013, of enterprises consolidated as subsidiary / Associates / Joint Ventures.

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	97.84%	7043.515	91.86%	647.111	358.15%	(11.797)	90.62%	635.314
Subsidiaries								
Indian								
1 Praj HiPurity Systems Limited, India.	13.34%	960.216	-3.98%	(28.025)	57.13%	(1.882)	-4.27%	(29.907)
2 Praj Engineering and infra Limited,India	1.20%	86.341	2.18%	15.350	-0.52%	0.017	2.18%	15.367
Foreign								
1 Praj Far East Philippinnes Ltd. Inc., Philippinnes	0.34%	24.656	0.48%	3.407	-304.34%	10.025	1.92%	13.432
2 Praj Industries (Africa) Pty. Limited, South Africa	0.10%	7.013	0.00%	0.029	26.78%	(0.882)	-0.12%	(0.853)
3 Praj Americas Inc. USA	0.13%	9.240	0.59%	4.145	-22.34%	0.736	0.70%	4.881
4 Praj Far East Co., Ltd. Thailand	0.18%	13.092	0.40%	2.816	-15.03%	0.495	0.47%	3.311
5 Praj Industries Namibia Limited, Namibia	0.00%	-	0.14%	0.980	0.18%	(0.006)	0.14%	0.974
Minority Interests in all subsidiaries	0.00%	0.292	0.01%	0.054	0.00%	-	0.01%	0.054
Inter Company Eliminations/ Goodwill Amortisation	-13.13%	(945.179)	8.30%	58.496	0.00%	-	8.34%	58.496
Total	100.00%	7199.186	100.00%	704.363	100.00%	(3.294)	100.00%	701.069

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- Finance & Commercial
(DIN : 00431438)

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

Place: Pune
Date: 26 May 2020

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 Fourth Annual General Meeting of **PRAJ INDUSTRIES LIMITED** will be held on **Friday, the 18th September, 2020 through video conferencing at 10.00 A.M. at Pune** to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt ;

   a. the audited Financial Statements of the Company for the financial year ended 31st March, 2020 together with the reports of Board of Directors and the Auditors thereon.

   b. the audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2020 together with the report of the Auditors thereon.

2. To confirm Interim Dividend of Rs. 2.70 per share paid during the financial year 2019-20 as final dividend.

3. To appoint a Director in place of Ms. Parimal Chaudhari (DIN: 00724911) who retires by rotation and being eligible, offers herself for re-appointment.

4. To appoint Auditors and to fix their remuneration and in connection with this:

   To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s P.G. Bhagwat, Chartered Accountants, Pune (Firm Registration No. 101118W), who were appointed as the Statutory Auditors of the Company at 29th Annual General Meeting of the Company held on 6th August, 2015 till the conclusion of this Annual General Meeting of the Company be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the Thirty Ninth Annual General Meeting (to be held in the year 2025), at an annual remuneration, applicable taxs and reimbursement of out-of-pocket expenses, if any, as may be mutually agreed to, between the Board of Directors and M/s P.G. Bhagwat, Chartered Accountants, Pune."

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, 2021 and in this regard to consider and if thought fit, to pass 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 thereof, for the time being in force), the Company hereby ratifies the remuneration of Rs. 2,20,000/- 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, 2021."

6. **To consider and approve re-appointment of Ms. Mrunalini Joshi (DIN: 00957617) as Independent Director of the Company and in this regard to consider and if thought fit, to pass the following resolution as a 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, Ms. Mrunalini Joshi (DIN : 00957617) 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 her 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 three (3) years with effect from 11th August, 2020

7. **To consider and approve appointment of Mr. Suhas Baxi (DIN: 00649689) as Director and in this regard to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-**

   "**RESOLVED THAT** Mr. Suhas Baxi (DIN: 00649689) who was appointed as an Additional Director of the Company with effect from 8th August, 2019 by the Board of Directors and who holds office up to the date of 34th Annual General Meeting under Section 161(1) of the Companies Act, 2013 ("the Act") but who is eligible for appointment and in respect of whom, the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company."

8. **To consider and approve appointment of Mr. Suhas Baxi (DIN: 00649689) as Independent Director of the Company and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:-**

"**RESOLVED THAT** in accordance with the provisions of Sections 149, 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, consent of the Company be and is hereby accorded to the appointment of Mr. Suhas Baxi (DIN: 00649689) as Independent Director of the Company to hold office for a period of Five (5) years with effect from 8th August, 2019

FURTHER RESOLVED 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."

By Order of the Board of Directors

Place: Pune
Date: 13th August, 2020

Dattatraya Nimbolkar
Chief Internal Auditor &
Company Secretary

Notes:-

a) In view of the restrictions on the movement across the country and physical distancing guidelines to be followed due to outbreak of the COVID-19 pandemic, Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 read with Circular No. 20/2020 dated May 05, 2020 (hereinafter collectively referred to as "Circulars"), allowed Companies to hold Annual General Meeting of the Company (hereinafter referred as "AGM") through Video conferencing (VC) means. Hence, in compliance with these Circulars, the AGM will be conducted through Video Conferencing (VC).The business set out in the Notice will be transacted through electronic voting system as per the instructions specified in this notice. and the Company is providing facility for voting by electronic means as prescribed.

b) Corporate members intending to authorize authorised representatives to attend the Meeting through Video conferencing 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.

c) Brief resume of Directors proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of Companies in which they hold 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 as follows;

Details under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 fromPune University and MS in Television-Radio-Film (TRF) from Syracuse University, USA. Spouse of Dr. Pramod Chaudhari	Communication and human resource development. As Managing Trustee of Praj Foundation, she steers the CSR activities.	Praj Industries Ltd.	Praj Industries Ltd.-Member of Stakeholders' Relationship Committee.
Ms. Mrunalini Joshi (DIN 00957617)	10/02/1967 No. Of shares held : Nil	Science graduate	Ms. Mrunalini Joshi has 17 years of rich business experience in the packaging machinery industry. In addition to market research for various industries, she has expertise in international marketing, branding and corporate communication. She is also actively involved in several social initiatives around Pune district.	(i) Praj Industries Ltd. (ii) Praj HiPurity Systems Ltd. (iii) Nichrome India Limited	Praj Industries Ltd: Member of Audit Committee, Praj HiPurity Systems Ltd. Member of Audit Committee

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**
Mr. Suhas Baxi (DIN 00649689)	30/11/1966 No. Of shares: Nil	Mechanical Engineer from VNIT from Nagpur.	Mr. Suhas Baxi is a Mechanical Engineer from VNIT Nagpur and obtained management training at IIM Ahmedabad. With a rich blend of leadership experience in Manufacturing and Software sectors, Suhas has worked with global and Indian companies in helping develop and implement market and organization development strategies. Suhas is passionate about digitalisation and digital transformation of B2B enterprises. He has recently founded a company that is focused on creating Digital Platform for Sales and Supply Chain enablement for industrial businesses; and is currently focused on growing this business. He has been an active member of industry body CII where he was Chairman of Pune Zonal Council in 2010-11 and has been a member of National Council of CII for Higher Education.	Praj Industries Ltd.	Nil

The Company has received relevant disclosure/consent from the Directors seeking appointment/re-appointment.

* 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.

d) 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.

e) In case of joint holders, only such joint holder who is higher in the order of names will be entitled to vote.

f) Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by electronic means 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.

g) The Company has notified closure of Register of Members and Share Transfer Books from Saturday, the 12th September, 2020 to Friday, the 18th September, 2020 (both days inclusive).

h) 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.

i) Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividends(including interim dividends) as and when declared up to the financial year 2011-12 on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 23rd July, 2019 (date of previous Annual General Meeting) on the website of the Company (www.praj.net), and also on the website of the Ministry of Corporate Affairs. Further, pursuant to the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred 25,979 shares to Investor Education and Protection Fund on 11/10/2019.

j) 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 Intime India Pvt. Ltd.

k) Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.

l) Non-Resident Indian Members are requested to inform Link Intime India Pvt. Ltd., 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.

m) To further Company's environment friendly agenda and to participate in MCA's Green Initiative, 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.

n) The notice of 34th Annual General Meeting (AGM) 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).

o) Members are requested to notify their queries, if any, on financial statements etc. latest by 14th September, 2020 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: 13th August, 2020

Dattatraya Nimbolkar
Chief Internal Auditor &
Company Secretary

Instructions and other information relating to e-voting are as under:

1. On account of threat posed by COVID-19 and in terms of the MCA and SEBI Circulars, the Company will send the Annual Report and the Notice of AGM only in electronic form to the registered email addresses of the shareholders. Physical copy is not available

2. The Annual Report along with Notice of AGM will be sent to the members, whose names appear in the Register of Members/depositories as at close of business hours on Friday, 21st August, 2020.

3. Since the AGM will be held through VC, the route map, proxy form and attendance slip are not annexed to this Notice.

4. The Company has fixed Friday, 11th September, 2020 as the Cut-off Date for remote e-voting. The remote e-voting/voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as at close of business hours on the Cut-off Date i.e. Friday, 11th September, 2020 only. A person who is not a Member as on the Cut-off Date should treat this Notice for information purposes only.

5. In view of the pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the Annual General Meeting (AGM) venue is not required and AGM be held through video conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through Video conferencing/ OAVM.

6. National Securities Depositories Limited ("NSDL") will be providing facility for convening 34th AGM through VC/OAVM.

7. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the entitlement to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

8. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available for 1000 members on first come first served basis. 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.

9. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act,2013.

10. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended)and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements)

Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL on the website of NSDL at www.evoting.nsdl.com.

11. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, 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 and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on Tuesday, the 15th September, 2020 at 9.00 A.M. and ends on Thursday, the 17th September, 2020 at 5.00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

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: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

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 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password 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. Your password details are given below:

   a) If you are already registered for e-Voting, then you can user 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.

   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 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. 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.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. 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 sunil.nanal@kanjcs.com with a copy marked to evoting@nsdl.co.in.The Institutional members are encouraged to attend the Annual General Meeting.

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.: 1800-222-990 or send a request to (Name of NSDL Official) 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

   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

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 or 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 the same at https://www.evoting.nsdl.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members 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. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
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. 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 (company email id). The same will be replied by the company suitably time depending upon the availability of time at the AGM.

6. All 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. September 18, 2020. Members seeking to inspect such documents can send an email to investorsfeedback@praj.net

7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 ("Act") and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM.

By Order of the Board of Directors

Place: Pune
Date: 13/08/2020

Dattatraya Nimbolkar
Chief Internal Auditor &
Company Secretary

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

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, 2021 for a total remuneration of Rs. 2, 20,000/- 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

Shareholders at 32nd Annual General Meeting held on 6th August, 2018, had approved the appointment of Ms. Mrunalini Joshi as Independent Director with effect from 11th August, 2017 till the conclusion of Annual General Meeting to be held for adoption of accounts for the financial year 2019-20 or 10th August, 2020 whichever occurs earlier.

The Board at its 167th metting held on 26th May, 2020 has recommended extention of appointment of Ms. Mrunalini Joshi as Independent Director with effect from 11th August, 2020.

As per provisions of Sections 149 (10), 152 and other applicable provisions if any, read with Companies (Appointment and Qualification of Directors) Rules, 2014, and 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.

Based on the confirmation received from Ms. Mrunalini Joshi, it is proposed to re-appoint her as Independent Director to hold office for a period of three (3) years with effect from 11th August, 2020.

Brief resume of Ms. Mrunalini Joshi nature of her expertise in specific functional areas, names of Companies in which she 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. 180 of this notice.

Ms. Mrunalini Joshi is not disqualified from being re-appointed as Independent Director in terms of Section 164 of the Act. She has given her consent to act as Director.

The Company has also received declaration from her that she 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, Ms. Mrunalini Joshi 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 she is independent of the management.

Copy of the draft letter of re-appointment of Ms. Mrunalini Joshi as Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company and online at www.praj.net/.

Ms. Mrunalini Joshi is interested in the resolution set out at Item No. 6 of the Notice with regard to her re-appointment.

The relatives of Ms. Mrunalini Joshi may be deemed to be interested in the resolution set out at Item No.6 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. 6 of the Notice for approval by the shareholders.

Item No. 7 & 8

Mr. Suhas Baxi was appointed by the Board vide Circular Resolution No. CIR/BM/01/2019-20 dated 8th August, 2019 as an Additional Director with effect from 8th August, 2019. The Board of Directors has received a notice from the shareholder proposing the candidature of Mr. Suhas Baxi as Director to be appointed under the provisions of Section 149 and 152 of the Companies Act, 2013.

Brief resume of Mr. Suhas Baxi, 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. 181 of this notice.

Mr. Suhas Baxi is not disqualified from being appointed as Independent Director in terms of Section 164 of the Act. He has given his consent to act as Director.

The Company has also received declaration from him 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, Mr. Suhas Baxi fulfils the conditions for 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.

The Company has received from Mr. Suhas Baxi;

(i) Consent in writing to continue to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 .

(ii) 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.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, except, Mr. Suhas Baxi in the resolution set out at Item Nos. 7 & 8 of the Notice.

The Resolutions as set out at Item Nos. 7 & 8 seeks the approval of members for the appointment of Mr. Suhas Baxi as Independent Director, not liable to retire by rotation.

By Order of the Board of Directors

Place: Pune
Date:13th August, 2020

Dattatraya Nimbolkar
Chief Internal Auditor &
Company Secretary

Important Communication to Shareholders

Register your e-mail address

Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send e-mail at investorsfeedback@praj.net to update their e-mail address.

Demat Your Shares

Members are requested to convert their physical holding to demat form through any of the nearest depository participant (DPs) to avoid hassles involved with physical shares such as possibility of loss, mutilation, and to ensure safe and speedy transaction in securities.

Register Your National Electronic Clearing Services (NECS) Mandate

RBI has initiated NECS for credit of Dividend directly to the Bank Account of shareholders. Members holding shares in electronic mode are requested to register their latest Bank Account details (Core Banking Solutions enabled account number, 9 digit MICR and 11 digit IFS Code details) with their Depository Participant. Members holding shares in physical form are requested to register their latest Bank Account details (Core Banking Solutions enabled account number, 9 digit MICR and 11 digit IFS Code details) to the Company's R & T Agent.

Giving Back to the Society

Mrs. Parimal Chaudhari, Managing Trustee of Praj Foundation addressing beneficiaries during Aarogya Samwad: A platform for Expression, Recognition & Encouragement.

An initiative by Praj Foundtion for eradicating anaemia and improving health of women by creating awareness through health sessions, promoting kitchen gardens for nutritional security, lifestyle improvement etc. to develop immunity

praj | foundation