

PRAJ HIPURITY SYSTEMS LIMITED
Balance sheet as at 31st March,2020

(Amounts in Indian Rupees million unless otherwise stated)

Particulars	Note No.	31st Mar 2020	31st Mar 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	200,951	173,838
Intangible assets	3	0,587	1,285
Financial assets			
Loans	4	9,364	8,478
Deferred tax assets (net)	25	42,289	13,821
Other non-current assets	5	71,009	82,720
Total non-current assets		324,200	280,142
Current assets			
Inventories			
Financial assets	6	382,767	221,880
Investments	7	55,000	-
Trade receivables	8	465,328	676,007
Cash and cash equivalents	9	133,551	167,802
Other Financial Assets	10	0,633	-
Current tax asset (net)		33,920	30,116
Other current assets	5	77,183	44,713
Total current assets		1,148,382	1,140,518
Total assets		1,472,582	1,420,660
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	50,000	50,000
Other equity	12	910,215	945,359
Total equity		960,215	995,359
Liabilities			
Non-current liabilities			
Financial Liabilities			
Lease Liabilities			
Provisions	13	29,534	-
Total non-current liabilities		39,142	8,000
Current liabilities			
Financial liabilities			
Lease Liabilities			
Trade payables		12,761	-
(i) Total outstanding dues to micro enterprises and small enterprises (MSMED)	14	81,244	11,980
(ii) Total outstanding dues to other than micro enterprises and small enterprises		173,286	271,110
Other financial liabilities	15	18,316	52,423
Other current liabilities	16	172,036	70,368
Provisions	13	15,583	11,420
Current tax liabilities (net)			
Total current liabilities		473,226	417,301
Total liabilities		512,368	425,301
Total equity and liabilities		1,472,582	1,420,660

Summary of significant accounting policies

The accompanying notes are an integral part of these financial statements

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As per our report of even date attached

For M/s P.G. Bhagwat

Chartered Accountants

FRN: 101118W

For and on behalf of the Board of Directors of
PRAJ HIPURITY SYSTEMS LIMITED

Shrinivas Gadgil
(Partner)

M. No. 120570

Place : Pune


Date : 20th May,2020


Pramod Chaudhari
(Chairman)
DIN: 00196415


Vikram Pandit
(Director and Manager)
DIN: 07710490


Shishir Joshipura
(Director)
DIN: 00574970


Sivaramakrishnan Iyer
(Director)
DIN: 00503487


Anant Bavare
(Company Secretary)
M. No.21405

PRAJ HIPURITY SYSTEMS LIMITED
Statement of profit and loss for the period ended 31st March 2020


(Amounts in Indian Rupees million unless otherwise stated)

Particulars	Note No.	31st Mar 2020	31st Mar 2019
Income			
Revenue from operations			
Other income	17	1,189,398	1,554,761
Total income	18	8,716	8,494
Expenses			
Cost of materials consumed			
Changes in inventories of finished goods and work-in-progress	19	852,994	849,915
Employee benefits expense	20	-162,830	108,591
Finance costs	21	192,882	209,247
Depreciation and amortisation expense	22	6,514	4,059
Other expenses	3	29,695	28,841
Total expense	23	332,097	363,051
		1,198,114	1,563,255
Profit before exceptional items and tax		1,251,352	1,563,704
Exceptional items		-53,238	-0,449
Profit before tax		-	-
Tax expenses		-53,238	-0,449
Current tax	25	-	-
Deferred tax		-	-
Excess Provision of Earlier Year		-26,860	-4,321
Total tax expense		1,649	-
		-25,211	-4,321
Profit for the period		-28,027	3,872
Other comprehensive income			
Items that will not be reclassified to profit or loss	24	-1,472	-0,108
Income tax relating to items that will not be reclassified to profit or loss		0,410	-0,022
Total comprehensive income for the period (comprising profit (loss) and other comprehensive income for the period)		-29,909	3,786
Earnings per equity share (for discontinued and continuing operations)			
(1) Basic		-5,605	0,774
(2) Diluted		-5,605	0,774

The accompanying notes are an integral part of these financial statements

As per our report of even date attached
For M/s P.G. Bhagwat
Chartered Accountants
FRN: 101118W


Shrinivas Gadgil
(Partner)
M. No. 120570
Place : Pune
Date : 20th May, 2020


Pramod Chaudhari
(Chairman)
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(Director)
DIN: 00503487


Anant Bavare
(Company Secretary)
M. No. 21405

For and on behalf of the Board of Directors of
PRAJ HIPURITY SYSTEMS LIMITED

PRAJ HIPURITY SYSTEMS LIMITED
Statement of Cash Flow for the year ended 31st March, 2020

(Amounts in Indian Rupees million unless otherwise stated)


Particulars	31 MAR 2020	31 Mar 2019
A. Cash flow from operating activities		
Net profit before tax	-54.887	-0.449
Adjustments		
(Profit) / loss on sale of property, plant and equipment		-0.189
Unrealised foreign exchange (gain) / loss (net)	0.000	-0.124
Depreciation and amortisation	-0.030	28.841
Sundry balances written back	29.695	-1.190
Sundry balances written off	-0.072	0.218
Provision for doubtful debts	0.742	8.349
Interest earned	-9.783	-3.436
Interest charged	-6.630	4.059
Operating profit before working capital changes	6.514	36.079
Changes in working capital	-34.451	36.079
(Increase)/decrease in trade receivables		-25.421
(Increase)/decrease in inventories	222.585	114.261
(Increase)/decrease in loans	-160.887	20.154
(Increase)/decrease in other assets	-0.887	90.941
(Increase)/decrease in other current financial assets	-20.759	0.045
(Increase)/decrease in other financial assets	0.000	0.000
Increase/(decrease) in trade payables	-0.633	24.849
Increase/(decrease) in other current financial liabilities	-31.411	25.208
Increase/(decrease) in other current liabilities	-34.107	-13.447
Increase/(decrease) in provisions	94.417	3.779
Cash generated from operations	4.299	276.448
Direct taxes paid (including taxes deducted at source), net of refunds	38.166	
NET CASH FROM OPERATING ACTIVITIES	-3.804	-26.379
B. Cash flow from investing activities	34.362	250.069
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress and intangibles under development)	-8.447	-24.461
Proceeds from sale of property, plant and equipment		0.394
Interest received on investments	0.000	3.436
Investment in Fixed Deposit	6.630	-
NET CASH FROM / (USED) IN INVESTING ACTIVITIES	-55.000	-20.631
C. Cash flow from financing activities	-56.817	-20.631
Repayment of short term borrowings (net)		-59.417
Interest expense	0.000	-4.059
Payment towards Lease Liability	-1.202	-
NET CASH FROM / (USED) IN FINANCING ACTIVITIES	-10.682	-63.477
Net increase/(decrease) in cash and cash equivalents (A+B+C)	-11.884	-63.477
Cash and cash equivalents at the beginning of the year (Refer Note 9)	-34.339	165.961
Effect of exchange rate changes on cash and cash equivalent	167.802	1.841
	0.088	-
Cash and cash equivalents at the end of the year (Refer Note 9)	133.551	167.802


Notes :
Statement of Cash Flow has been prepared under the "Indirect Method" as Section in IND AS 7

The accompanying notes are an integral part of Cash Flow Statement


As per our report of even date attached
For M/s P.G. Bhagwat
Chartered Accountants
FRN: 101118W



Pramod Chaudhari
(Chairman)
DIN: 00196415


Vikram Pandit
(Director and Manager)
DIN: 07710490


Shishir Joshipura
(Director)
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For and on behalf of the Board of Directors of
PRAJ HIPURITY SYSTEMS LIMITED


Sivaramakrishnan Iyer
(Director)
DIN: 00503487


Anant Bavare
(Company Secretary)
M. No.21405

Shrinivas Gadgil
(Partner)
M. No. 120570
Place : Pune
Date : 20th May,2020

PRAJ HIPURITY SYSTEMS LIMITED

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

(Amounts in Indian Rupees million unless otherwise stated)

A. Equity share capital

Balance as at 1 April 2018	Changes in equity share capital during the year	Balance as at 31 March 2019
50.000	-	50.000
Balance as at 1 April 2019	Changes in equity share capital during the year	Balance as at 31st March 2020
50.000	-	50.000

B. Other equity

Particulars	Reserves and surplus		Total
	General reserve	Retained earnings	
Balance as at 1 April 2017	157.770	683.870	841.640
Profit for the period		80.926	80.926
Other comprehensive income		0.478	0.478
Balance as at 31st Mar 2018	157.770	765.273	923.044
Profit for the period		-30.20	-30.204
Other comprehensive income		-	-
Transfer to retained earnings		-	-
Balance as at 31st March 2019	157.770	769.059	926.829

PRAJ HIPURITY SYSTEMS LIMITED

Notes to the financial statements for the year ended 31st March, 2020
(Amounts in Indian Rupees million unless otherwise stated)

Note 3: Property, plant and equipment and intangible assets

Particulars	Tangible assets													Intangible assets		Grand total	
	Freehold land	Factory Building	Right of Use Asset - Building	Plant and machinery	Office equipments	Vehicles	Furniture and fixtures	Electric fittings and installations	Computers	Temporary structure	Exhibition asset	Total	Software	Total			
Gross block																	
As at 1 April 2019	6,667	227,973	61,242	1,76,777	7,910	4,542	24,423	9,609	11,149	0,205	530,671	7,869	7,869	538,540			
Additions during the year	-	-	1,733	8,314	0,056	-	-	-	-	-	10,103	0,077	0,077	10,180			
Deletions during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
As at 31st March 2020	6,667	227,973	62,975	1,85,091	7,966	4,542	24,423	9,609	11,149	0,205	540,774	7,946	7,946	548,720			
Accumulated depreciation and amortisation																	
As at 1 April 2019	-	134,727	15,311	1,23,791	7,056	1,250	10,304	8,501	9,585	0,173	310,902	6,585	6,585	317,487			
Change for the year	-	4,445	12,711	7,366	0,400	0,611	1,791	0,841	0,751	-	28,921	0,774	0,774	29,695			
Depreciation on deletions	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
As at 31st March 2020	-	139,176	28,022	1,31,147	7,461	1,862	12,096	9,342	10,338	0,173	339,823	7,359	7,359	347,181			
Adjusted through reserves	-	-	-	0,082	1,277	0,002	0,015	-	0,240	-	1,616	0,148	0,148	1,764			
Net carrying value	6,667	88,797	34,953	53,944	506	2,880	12,327	2,67	811	-	200,951	587	587	201,539			
As at 31st March 2020	6,667	93,246	-	52,985	0,855	3,292	14,120	1,108	1,564	-	173,838	1,285	1,285	175,122			

In current year, company has changed its estimate of consumption pattern on fixed assets from Written down value method to straight line method, as company expected to derive future economic benefit from assets on straightline basis till the end of its balance useful life remaining on the opening date i.e. 01.04.2019. The change in method of depreciation is considered as change in accounting estimate and hence as per Ind AS requirements, the effect of this change has been given in the books of account prospectively.

Accordingly, depreciation value is decreased by Rs.10,207 in current year and this decremental amount will get adjusted through out remaining useful life of fixed assets.

The impact for the year 2019-20 is shown in below table-

Particulars	Tangible assets													Intangible assets		Grand total
	Freehold land	Factory Building	Right of Use Asset - Building	Plant and machinery	Office equipments	Vehicles	Furniture and fixtures	Electric fittings and installations	Computers	Temporary structure	Exhibition asset	Total	Software	Total		
Dep as per WDV	-	8,838	12,711	11,091	0,367	1,296	3,656	0,446	0,708	-	39,133	0,768	0,768	39,901		
Dep as per SLM	-	4,450	12,711	7,356	0,405	0,612	1,793	0,841	0,753	-	28,921	0,774	0,774	29,695		
Increase / (Decrease) in Depreciation	-	-4,409	-	-3,735	0,038	-0,684	-1,863	0,396	0,045	-	-10,212	0,006	0,006	-10,207		

* Depreciation charged for the current year has changed due to change in estimates for current year

PRAJ HIPURITY SYSTEMS LIMITED

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

(Amounts in Indian Rupees million unless otherwise stated)

Note 4: Loans

Particulars	31st Mar 2020	31st Mar 2019
Security deposits		
Unsecured, considered good	9,364	8,478
Non-current		
Current	9,064	8,478
	0,300	-
Total	9,364	8,478
Non-current		
Current	9,364	8,478
	-	-

Note 5: Other assets

Particulars	31st Mar 2020	31st Mar 2019
(i) Prepaid expenses		
Unsecured, considered good		
Non-current	6,368	9,482
Current	0,015	1,396
	6,353	8,086
(ii) Balances with central excise, customs and VAT authorities		
Unsecured, considered good		
Non-current	125,605	93,187
Current	70,994	81,324
	54,611	11,863
(iii) Advance to vendors		
Unsecured, considered good		
Non-current	12,876	11,387
Current		
	12,876	11,387
(iv) Advance to Staff		
Unsecured, considered good		
Non-current	3,343	13,377
Current		
	3,343	13,377
Total	148,192	127,433
Non-current		
Current	71,009	82,720
	77,183	44,713

Note 6: Inventories

Particulars	31st Mar 2020	31st Mar 2019
Raw materials		
Work-in-progress	136,970	131,160
Packing material	223,078	71,611
Consumables, stores and spares	0,306	6,990
Finished goods	4,060	5,129
	18,353	6,990
Total	382,767	221,880

(i) Inventories are valued at lower of cost or net realisable value, unless otherwise stated.

(ii) The Company follows suitable provisioning norms for writing down the value of Inventories towards slow moving and non-moving inventory.

(iii) Write down of Inventories for the year Rs 20,112 - (Previous year Rs.25,660). Inventory values shown above are net of the write down.

PRAJ HIPURITY SYSTEMS LIMITED

Note 7: Investments at amortised cost

Particulars	31st Mar 2020	31st Mar 2019
Deposit with Bajaj Finance Limited	55.000	-
Total	55.000	-

Note 8: Trade receivables

Particulars	31st Mar 2020	31st Mar 2019
Trade receivables	465.328	676.007
Unsecured, considered good		
From related parties	-	4.316
From others	465.328	671.691
Unsecured, considered doubtful from others	13.868	23.651
	479.196	699.658
Less: Impairment allowance (allowance for doubtful debts)	13.868	23.651
Total	465.328	676.007

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

For terms and conditions relating to related party trade receivables, refer note 30.

Trade receivables are non interest bearing and generally on credit terms ranging from 120 to 180 days.

Note 9: Cash and cash equivalents

Particulars	31st Mar 2020	31st Mar 2019
(i) Balances with banks		
On current accounts	17.091	21.621
Deposits with original maturity of less than 3 months	116.189	145.894
(ii) Cash on hand	0.271	0.287
Total	133.551	167.802

Note 10: Other Financial Assets

Particulars	31st Mar 2020	31st Mar 2019
Other Financial Assets		
Interest accrued on deposit	-	-
Non-current	-	-
Current	0.633	-
Total	0.633	-
Non-current	-	-
Current	0.633	-

PRAJ HIPURITY SYSTEMS LIMITED

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

(Amounts in Indian Rupees million unless otherwise stated)

Note 11: Equity share capital

Particulars	31st Mar 2020	31st Mar 2019
Authorised shares		
5 (31 March 2019: 5 ; 1 April 2018: 5) equity shares of INR 10 each	50.000	50.000
Issued, subscribed and fully paid-up shares		
5 (31 March 2019: 5 ; 1 April 2018: 5) equity shares of INR 10 each	50.000	50.000
Total	50.000	50.000

a) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of INR 10 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. During the year ended 31 March 2020, no dividend was declared and paid to equity shareholders. 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.

b) Reconciliation of share capital

Particulars	31st Mar 2020		31st Mar 2019	
	Number	Amount	Number	Amount
At the beginning of the period	5.000	50.000	5.000	50.000
Add: Additions during the period				
Outstanding at the end of the period	5.000	50.000	5.000	50.000

c) Shares held by holding / ultimate holding Company and / or their subsidiaries / associates

Entire share capital of the Company is held by Praj Industries Limited (Holding company)

d) Details of shareholders holding more than 5% shares in the Company

Particulars	31st Mar 2020		31st Mar 2019	
	Number	% holding	Number	% holding
Equity shares of INR 10 each fully paid Holding Company (Praj Industries Limited)	5.000	100%	5.000	100%

e) 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:

Particulars	31st Mar 2020	31st Mar 2019
Number of bonus shares issued, shares issued for consideration other than cash and shares bought back	-	-

PRAJ HIPURITY SYSTEMS LIMITED

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

(Amounts in Indian Rupees million unless otherwise stated)

Note 12: Other equity

Particulars	31st Mar 2020	31st Mar 2019
(i) General reserve		
	157.770	157.770
(ii) Surplus in the Statement of Profit and Loss		
At the beginning of the period	787.588	783.803
Transition impact of IND AS 116	5.234	-
Total comprehensive income as per Statement of Profit and Loss	-29.909	3.785
At the end of the period		
	752.445	787.588
Total	910.215	945.358

Nature & Purpose of Reserve

a) General reserve is created out of profits earned by the Company by way of transfer from surplus in the statement of profit and loss. As General reserve is created by transfer on one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be subsequently reclassified to statement of profit and loss

b) Surplus in the Statement of Profit and Loss are the profits that the Company has earned till date, less any transfers to General reserve and payment of dividend.

Note 13: Provisions

Particulars	31st Mar 2020	31st Mar 2019
Provision for employee benefits		
(i) Provision for leave encashment		
	10.687	8.831
Non-current		
Current	9.608	8.000
	1.079	0.831
(ii) Provision for gratuity		
	14.504	10.589
Non-current		
Current	-	-
	14.504	10.589
Total	25.191	19.421
Non-current		
Current		
	9.608	8.000
	15.583	11.420

PRAJ HIPURITY SYSTEMS LIMITED

Note 14: Trade payables

Particulars	31st Mar 2020	31st Mar 2019
To related parties	1.105	2.349
To others		
Total outstanding dues to micro enterprises and small enterprises (MSMED)	81.244	11.981
Total outstanding dues to other than micro enterprises and small enterprises	172.181	268.760
Total	254.530	283.091

Micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company and the auditors have relied on the same. Accordingly, there is no undisputed amount overdue as on March 31, 2020, to Micro, Small and Medium Enterprises on account of principal or interest.

Trade Payable are generally on credit terms ranging from 60 to 90 days.

Note 15: Other financial liabilities

Particulars	31st Mar 2020	31st Mar 2019
(i) Payables for purchases of property, plant and equipment		
Non-current	-	-
Current	-	-
(ii) Other financial liabilities	18.316	52.423
Current		
Employee Benefits Payable	0.906	0.996
Other Payable	17.411	51.427
(iii) Corporate guarantee payable	-	-
Non-current	-	-
Current	-	-
(iv) Accrued expenses		
Non-current	-	-
Current	18.316	52.423
Total	18.316	52.423
Non-current		
Current	18.316	52.423

Note 16: Other current liabilities

Particulars	31st Mar 2020	31st Mar 2019
(i) Advances received from customers	169.302	66.793
Non-current	-	-
Current	169.302	66.793
(ii) Statutory Dues Payable	2.734	3.575
Non-current	-	-
Current	2.734	3.575
Total	172.036	70.368
Non-current		
Current	172.036	70.368

PRAJ HIPURITY SYSTEMS LIMITED

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

(Amounts in Indian Rupees million unless otherwise stated)

Note 17: Revenue from operations

Particulars	31st Mar 2020	31st Mar 2019
Sale of products and projects		
Sale of services	974.914	1,258.896
Export service	104.605	175.565
Export sales	17.773	4.221
	92.106	116.080
Total	1,189.398	1,554.761

Note 18: Other income

Particulars	31st Mar 2020	31st Mar 2019
Interest income		
Income calculated using effective interest rate method	6.630	3.436
Net gain on sale of property, plant and equipment	0.468	0.438
Sundry balances written back	-	0.189
Foreign exchange gain (net)	0.072	1.190
Miscellaneous income	1.546	-
	0.000	3.241
Total	8.716	8.494

Note 19: Cost of materials consumed

Particulars	31st Mar 2020	31st Mar 2019
Raw material consumed	852.994	849.915
Total	852.994	849.915

Note 20: Changes in inventories of finished goods and work-in-progress

Particulars	31st Mar 2020	31st Mar 2019
Inventories at the end of the year		
Finished goods	18.353	6.990
Work-in-progress	223.078	71.611
	241.431	78.601
Inventories at the beginning of the year		
Finished goods	6.990	20.107
Work-in-progress	71.611	167.085
	78.601	187.192
(Increase) / decrease in inventories	-162.830	108.591

Note 21: Employee benefits expense

Particulars	31st Mar 2020	31st Mar 2019
Salaries, wages and bonus	179.002	194.984
Contributions to provident and other funds (Refer note 33)	5.727	5.737
Gratuity expense (Refer note 33)	2.136	1.399
Staff welfare	6.017	7.127
Total	192.882	209.247

PRAJ HIPURITY SYSTEMS LIMITED

Note 22: Finance costs

Particulars	31st Mar 2020	31st Mar 2019
Interest on borrowings	-	3.436
Net interest cost on net defined benefit obligations	0.806	0.623
Other (Interest on Delayed Payment)	0.396	-
Interest on Lease Liability	5.312	-
Total	6.514	4.059

Note 23: Other expenses

Particulars	31st Mar 2020	31st Mar 2019
Consumption of Stores & spares	14,193	17,501
Site expenses and labour charges	114,274	110,449
Freight and transport	18,305	19,772
Factory expenses	4,319	3,732
Bank charges	1,674	2,316
Testing charges	0,062	0,130
Duties and taxes	8,172	6,284
Bad Debts	33,927	1,101
Provision for doubtful debts	-9,783	8,349
Sundry balances written off	0,742	0,218
Commission and brokerage	0,613	-
Travelling and conveyance	56,957	62,399
Professional consultancy charges	7,360	12,348
Insurance	8,271	7,117
Rent	5,350	26,612
Royalty Fees	2,256	1,722
Power and fuel	4,435	2,483
Communication expenses	3,006	4,530
Business promotion expenses	5,277	9,190
Staff Expense -other	35,842	39,477
Repairs and maintenance - Plant and machinery	4,086	4,531
Repairs and maintenance - Others	4,409	5,454
Auditor's remuneration - Audit service	1,035	1,035
Auditor's remuneration - Other services	0,042	0,054
Rates and taxes	0,694	2,018
Foreign Exchange fluctuation loss	-	3,931
Corporate social responsibility expenses	1,840	3,010
Miscellaneous expenses	4,739	7,288
Total	332,097	363,051

Note 24: Items that will not be reclassified to profit or loss

Particulars	31st Mar 2020	31st Mar 2019
Items that will not be reclassified to profit or loss		
Remeasurements gains and losses on post-employment benefit plans	1.472	0.108
Income tax relating to items that will not be reclassified to profit or loss		
Tax on remeasurements gains and losses on post-employment benefit plans	0.410	-0.022

PRAJ HIPURITY SYSTEMS LIMITED
Notes to the financial statements for the year ended 31st March, 2020

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

Particulars		31 March 2020	31 March 2019
25	Income tax		
A	Statement of profit and loss:		
	Current income tax:		
	Current income tax charge	-	-
	Tax relating to earlier periods	-	-
	Deferred tax:		
	Relating to origination and reversal of temporary differences	-26.860	-4.321
	Income tax expense reported in the statement of profit and loss	-26.860	-4.321
B	Statement of other comprehensive income:		
	Deferred tax:		
	Remeasurements gains and losses on post employment benefits	0.410	-0.022
	Income tax expense reported in the statement of other comprehensive income	0.410	-0.022
C	Reconciliation of effective tax rate		
	Accounting profit before tax		
	Tax using the Company's domestic tax rate (27.82%)	-54.710	-0.557
	Adjustments in respect of current income tax of previous years	-	-
	Less: Tax effect of:		
i	Tax rate difference on book profit as per Minimum Alternate Tax	-	-
ii	Tax effect on exempt income dividend	-	-
iii	Tax effect of reversal of Deferred Tax on adjustment to Opening Reserve in respect of IND AS 115	-	-
	Add: Tax effect of		
i	Tax liability on IND AS adjustment to Retained earnings	-	-
ii	Tax liability on permanent Difference 14A Disallowance	-	-
iii	Effect on deduction claimed in MAT for Doubtful debt provision written back	-	-
iv	Effect on deduction claimed in MAT for Provision for Impairment of Investment	-	-
v	Effect on deduction claimed in MAT for Expenditure debited to Reserves-ESOP expenses	-	-
vi	Deferred Tax expenses accounted as no effect of Timing differences on MAT liability	-26.860	-4.321
	Total	-26.860	-4.321
	Income tax expense reported in the statement of profit and loss	-26.860	-4.321

PRAJ HIPURITY SYSTEMS LIMITED
Notes to the 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)
Deferred tax asset

Provision for doubtful debts and advances

Gratuity

Leave encashment

Long term capital losses

Carry forward business loss

Compensated absences

Others

Lease Liability

IND AS 115 Deferred Tax reversal

Balance sheet
31 March 2020
31 March 2019
Net deferred tax asset / (liability)
Deferred tax expense/(income)

- Recognised in the statement of profit and loss

- Recognised in the statement of other comprehensive income

- Recognised in opening reserve under statement of changes in equity

PRAJ HIPURITY SYSTEMS LIMITED

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

(Amounts in Indian Rupees million unless otherwise stated)

Note 26: Payment to Statutory Auditor (for audit services exclusive of service tax/ GST)

Particulars	31st Mar 2020	31st Mar 2019
Audit Fees		
In other Capacity	1.04	1.04
Reimbursement of Expense	0.04	0.04
	0.04	0.03

Note 27: Dues to micro and small enterprises - As per Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED' Act)

This information has been determined to the extent such parties have been identified on the basis of information available with the company

Particulars	31st Mar 2020	31st Mar 2019
Principal amount remaining unpaid to any supplier as at the end of the year	81.24	11.98
Amount of Interest due remaining unpaid to any supplier as the end of the year	-	-
Amount of interest paid under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year.	-	-
Amount of interest due and payable for the period of delay in making payment (where the principal has been paid but interest under the MSMED Act, 2006 not paid).	-	-
Amount of interest accrued and remaining unpaid at the end of year.	-	-
Amount of further interest remaining due and payable even in the succeeding year.	-	-

Note 28: Contingent liabilities

Particulars	31st Mar 2020	31st Mar 2019
Contingent liabilities		
Claim against the Company not acknowledge as debt		
Disputed demands in appeal towards sales tax	15.060	19.786
Capital and other commitments	3.414	5.146
	-	-

Note 29: Segment reporting

a) 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 reportable operating segment i.e. Engineering goods for pharmaceuticals industries.

b) Secondary segment information

Particulars	Within India	Outside India
Revenue based on location of customers	1,079.5190	109.8791
	Total	1,189.40

PRAJ HIPURITY SYSTEMS LIMITED

Note 30: Related party transactions

a) Parties which are members of the same group

(i) Holding company

Praj Industries Limited

(ii) Fellow Subsidiaries

Praj Engineering & Infra Limited

Praj Far East Co. Limited

Praj Americas Inc.

Praj Industries (Africa) Pty Limited

Praj Industries (Namibia) Limited

Praj Far East (Philippines) Inc

b) Key management personnel and their close family members

Mr. Pramod Madhukar Chaudhari

Mr. Sivaramakrishnan Srinivasan Iyer

Mr. Sandeep Rajnikant Mehta

Mrs. Mrunalini Harish Joshi

Dr. Shridhar Bhalchandra Shukla

Mr. Shishir Joshipura

Mr. Vikram Shirang Pandit

Mr. Anant Bavare

Chairman

Independent Director

Independent Director

Independent Director

Additional Director

Director

Director & Manager

Company Secretary

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

Transactions with related parties and year end balances

Particulars	31st Mar 2020	31st Mar 2019
Praj Industries Limited		
Sale of products		
Sale of services	2,072	6,462
Purchase of products	0,773	3,855
Receipt of services	-	0,051
	4,469	10,055
Praj Industries Limited		
Receivable		
Payable	1,105	4,316
		2,349

Note 31: 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 61,242. Adjustments debited to opening Retained Earnings in respect of depreciation on Right of Use asset amounting to INR 15,310, finance cost on lease liability amounting to INR 8,141; and credited to opening Retained Earnings in respect of actual rent paid amounting to INR 16,200 and creation of Deferred Tax Asset amounting to INR 2,017. Net adjustment of INR 5,234 have been debited to the opening Retained Earnings.

Particulars	31st Mar 2020	31st Mar 2019
Depreciation for right-of-use asset	12,711	-
Interese expense on lease liabilities	5,312	-
Expenses relating to short-term / low value leases	5,350	-
Total Cash outflow for leases	10,682	-
Carrying amount of right-of-use asset	34,953	-
Maturity analysis of lease liabilities:		
- less than 1 year		
- between 1 to 3 years	18,131	17,460
- more than 3 years	32,603	50,733
	-	-

PRAJ IIPURITY SYSTEMS LIMITED

Note 32: Earnings per share

Particulars	31st Mar 2020	31st Mar 2019
Reconciliation of basic and diluted shares used in computing earnings per share		
Weighted average number of basic equity shares	5,000	5,000
Weighted average number of diluted equity shares	5,000	5,000
Computation of basic and diluted earnings per share		
Net profit after tax attributable to equity shareholders		
Basic earnings per equity share of INR 10 each	-28,027	3,872
Diluted earnings per equity share of INR 10 each	-5,605	0,774
	-5,605	0,774

Note 33: Employee benefits

a) Defined contribution plans

The Company has recognised INR 5,727 MN (31 March 2019: INR 5,736 MN) 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	31st Mar 2020	31st Mar 2019
Present value of obligation as at the beginning of the period	13,934	11,691
Interest cost	1,043	0,888
Past service cost	-	-
Current service cost	2,002	1,884
Benefits paid	(1,121)	(0,624)
Remeasurements on obligation - (gain) / loss	1,460	0,097
Present value of obligation as at the end of the period	17,318	13,934

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

Particulars	31st Mar 2020	31st Mar 2019
Fair value of plan assets at the beginning of the period	3,345	3,554
Interest income	0,237	0,265
Contributions	0,500	0,300
Benefits paid	(1,121)	(0,624)
Mortality Charges and Taxes	(0,134)	(0,138)
Return on plan assets, excluding amount recognized in interest income - gain / (loss)	(0,012)	(0,012)
Fair value of plan assets as at the end of the period	2,813	3,345
Actual return on plan assets	0,224	0,253

Amounts recognised in the balance sheet are as follows:

Particulars	31st Mar 2020	31st Mar 2019
Present value of obligation as at the end of the period	17,318	13,934
Fair value of plan assets as at the end of the period	2,813	3,345
Surplus / (deficit)	(14,504)	(10,589)

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

Particulars	31st Mar 2020	31st Mar 2019
Current service cost	2,002	1,884
Past service cost	-	-
Net interest (income) / expense	0,806	0,623
Net periodic benefit cost recognised in the statement of profit and loss at the end of the period	2,808	2,507