

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	14	12.761	-
(i) Total outstanding dues to micro enterprises and small enterprises (MSMED)		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
		1,198,114	1,563,255
Expenses			
Cost of materials consumed	19	852,994	849,915
Changes in inventories of finished goods and work-in-progress	20	-162,830	108,591
Employee benefits expense	21	192,882	209,247
Finance costs	22	6,514	4,059
Depreciation and amortisation expense	3	29,695	28,841
Other expenses	23	332,097	363,051
Total expense		1,251,352	1,563,704
Profit before exceptional items and tax			
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


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


Shrinivas Gadgil
(Partner)
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(Company Secretary)
M. No. 21405

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	
Changes in working capital	-34.451	36.079
(Increase)/decrease in trade receivables		
(Increase)/decrease in inventories	222.585	-25.421
(Increase)/decrease in loans	-160.887	114.261
(Increase)/decrease in other assets	-0.887	20.154
(Increase)/decrease in other current financial assets	-20.759	90.941
(Increase)/decrease in other financial assets	0.000	0.045
Increase/(decrease) in trade payables	-0.633	0.000
Increase/(decrease) in other current financial liabilities	-31.411	24.849
Increase/(decrease) in other current liabilities	-34.107	25.208
Increase/(decrease) in provisions	94.417	-13.447
Cash generated from operations	4.299	3.779
Direct taxes paid (including taxes deducted at source), net of refunds	38.166	276.448
NET CASH FROM OPERATING ACTIVITIES	-3.804	-26.379
	34.362	250.069
B. Cash flow from investing activities		
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	0.000	0.394
Interest received on investments	6.630	3.436
Investment in Fixed Deposit		
NET CASH FROM / (USED) IN INVESTING ACTIVITIES	-55.000	-
	-56.817	-20.631
C. Cash flow from financing activities		
Repayment of short term borrowings (net)		
Interest expense	0.000	-59.417
Payment towards Lease Liability	-1.202	-4.059
NET CASH FROM / (USED) IN FINANCING ACTIVITIES	-10.682	-
	-11.884	-63.477
Net increase/(decrease) in cash and cash equivalents (A+B+C)		
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

Shrinivas Gadgil

(Partner)

M. No. 120570

Place : Pune

Date : 20th May, 2020

 Pramod Chaudhari

(Chairman)

DIN: 00196415

 Vikram Pandit

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(Director)

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 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 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	176,777	7,910	4,542	24,423	9,609	11,149	0.173	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	185,091	7,966	4,542	24,423	9,609	11,149	0.173	0.205	540,774	7,946	7,946	548,720	
Accumulated depreciation and amortisation																
As at 1 April 2019	-	134,727	15,31	123,791	7,056	1,250	10,304	8,501	9,585	0.173	0.205	310,902	6,585	6,585	317,487	
Charge for the year	-	4,45	12,71	7,36	0,40	0,61	1,79	0,84	0,75	-	-	28,921	0,77	0,774	29,695	
Depreciation on deletions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
As at 31st March 2020	-	139,176	28,022	131,147	7,461	1,862	12,096	9,342	10,338	0.173	0.205	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	0,506	2,680	12,327	0,267	0,811	-	-	200,951	0,587	0,587	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	
As at 31 March 2019	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

In current year, company has changed its estimate of consumption pattern on fixed asset from Written down value method to straight line method as compared to previous year (31.03.2019). The change in method of depreciation is considered as change in accounting estimate.

In current year, company has changed its estimate of consumption pattern on Fixed asset 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-

* Depreciation charged for the current year has changed due to change in estimates for current year														
Dep as per WDV	8,838	12,711	11,091	0,367	1,296	3,556	0,446	0,708	-	-	-	39,133	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	29,695
Increase / (Decrease) in Depreciation	-4,409	-	-3,735	0,038	-0,684	-1,863	0,396	0,045	-	-	-	-10,212	0,006	-10,207

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		
Non-current	10.687	8.831
Current	9.608	8.000
	1.079	0.831
(ii) Provision for gratuity		
Non-current	14.504	10.589
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		
Contributions to provident and other funds (Refer note 33)	179.002	194.984
Gratuity expense (Refer note 33)	5.727	5.737
Staff welfare	2.136	1.399
	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		
	Income tax expense reported in the statement of profit and loss	-26,860	-4,321
		-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		
	Income tax expense reported in the statement of profit and loss	-26,860	-4,321
		-26,860	-4,321

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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:		Balance sheet	
Deferred tax asset / (liability)		31 March 2020	31 March 2019
Deferred tax asset			
Provision for doubtful debts and advances			
Gratuity		3 858	6 580
Leave encashment		4 509	2 946
Long term capital losses		2 973	2 457
Carry forward business loss			
Compensated absences		26 927	-
Others			
Lease Liability		11 766	0 064
IND AS 115 Deferred Tax reversal		2 017	-
Total	Deferred tax liability	52.051	12.047
	Property, plant & equipment and intangible assets		
	Amortisation of prepaid lease rentals / others	-9 763	1 774
Total	Net deferred tax asset / (liability)	-9,763	1,774
Deferred tax expense/(income)		42,289	13,821
- Recognised in the statement of profit and loss			
- Recognised in the statement of other comprehensive income		26 860	4 364
- Recognised in opening reserve under statement of changes in equity		-0 410	0 022
		2 017	-

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

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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		6 462
Sale of services	2 072	
Purchase of products	0 773	3 855
Receipt of services	-	0 051
	4 469	10 055
Praj Industries Limited		
Receivable		4 316
Payable	1 105	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	-
Interest 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

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

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

Particulars	31st Mar 2020	31st Mar 2019
Opening amount recognised in OCI outside statement of profit and loss		
Remeasurement for the year - obligation (gain) / loss		
Remeasurement for the year - plan assets (gain) / loss	1.460	0.097
Total remeasurements cost / (credit) for the year	0.012	0.012
	1.472	0.108

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

Particulars	31st Mar 2020	31st Mar 2019
Interest (income) / expense - obligation		
Interest (income) / expense - plan assets	1.043	0.888
Net interest (income) / expense for the year	(0.237)	(0.265)
	0.806	0.623

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

Particulars	31st Mar 2020	31st Mar 2019
Government of India securities	0%	0%
High quality corporate bonds	0%	0%
Equity shares of listed companies	0%	0%
Property	0%	0%
Special deposit scheme	0%	0%
Funds managed by insurer	0%	0%
Others	100%	100%
	0%	0%
Total	100%	100%

Principal actuarial assumptions used in determining gratuity benefit obligations for the Company's plans are as follows:

Particulars	31st Mar 2020	31st Mar 2019
Discount rate	6.90%	7.80%
Rate of increase in compensation levels	5%	5%
Expected rate of return on plan assets	7.80%	7.80%
Expected average remaining working lives of employees (in years)	15.23*	15.95*
Withdrawal rate		
Age upto 30 years		2%
Age 31 - 40 years	2%	2%
Age 41 - 50 years	2%	2%
Age above 50 years	2%	2%
	2%	2%

* It is actuarially calculated term of the plan using probabilities of death, withdrawal and retirement.

A quantitative sensitivity analysis for significant assumption 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

a) Impact of change in discount rate when base assumption is decreased / increased by 100 basis point

Discount rate	Present value of obligation	
	31st Mar 2020	31st Mar 2019
5.90%	19.595	15.777
7.90%	15.382	12.371

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	
	31st Mar 2020	31st Mar 2019
4.00%	15.497	12.436
6.00%	19.345	15.617

c) Impact of change in withdrawal rate when base assumption is decreased / increased by 100 basis point

Withdrawal rate	Present value of obligation	
	31st Mar 2020	31st Mar 2019
1.00%	16.942	13.449
3.00%	17.654	14.368

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d) Risk Exposure And Asset Liability Matching

Provision of a defined benefit scheme process certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

i) 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-

Variation 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 rate 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.

ii) Asset Risk-

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 adopted 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.

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

(Amounts in Indian Rupees million unless otherwise stated)

Note 34: Fair value of financial assets and liabilities

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in the financial statements

Particulars	Carrying value		Fair value	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
A. Financial asset				
i. Measured at amortised cost				
Security deposits	9.364	8.478	9.364	8.478
Trade receivables *	465.328	676.007	465.328	676.007
Cash and cash equivalent *	133.551	167.802	133.551	167.802
Investment in Deposit*	55.000	-	55.000	-
ii. Measured at fair value through profit and loss				
Forward exchange contracts {Asset/(Liability)}	-	-0.151	-	-0.151
B. Financial liability				
i. Measured at amortised cost				
Borrowings	-	-	-	-
Trade payables *	254.530	283.091	254.530	283.091
Other financial liabilities	18.316	52.423	18.316	52.423

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. In addition, the Company internally reviews valuations, including independent price validation for certain instruments.

The fair value of the financial assets and liabilities are included at the amount at which the instrument that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

* The company has not disclosed the fair values of trade payables, trade receivables and cash and cash equivalents because their carrying amounts are reasonable approximation of fair value.

i. Fair value of security deposit (non-current) is estimated using a discounted cashflow model. The valuation requires management to make certain assumptions about interest rates, maturity period, credit risk, forecasted cash flows etc.

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Fair value hierarchy

The following table provides the fair value measurement hierarchy of Company's assets and liabilities grouped into Level 1 to Level 3 as described in significant accounting policies - Note 2. Further, table describes the valuation techniques used, key inputs to valuations and quantitative information about significant unobservable inputs for fair value measurements.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2020:

Particulars	Fair value measurement using			Valuation technique used	Inputs used
	Level 1	Level 2	Level 3		
a) Financial assets measured at fair value					
Forward exchange contracts (Asset/(Liability))				The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.	Quoted forward exchange rates, high credit quality yield curves.
b) Assets for which fair values are disclosed					
Financial assets measured at amortised cost					
Security deposits		9.364		Discounted cash flows	Forecast cash flows, discount rate, maturity date etc.
c) Financial liability measured at amortised cost					
Borrowings		-		Discounted cash flows	Forecast cash flows, discount rate, maturity date etc.
Other financial liabilities		18.316		Discounted cash flows	Forecast cash flows, discount rate, maturity date etc.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2019:

Particulars	Fair value measurement using			Valuation technique used	Inputs used
	Level 1	Level 2	Level 3		
a) Financial assets measured at fair value					
Forward exchange contracts { Asset/(Liability)}		-0.151		The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.	Quoted forward exchange rates, high credit quality yield curves.
b) Assets for which fair values are disclosed					
Financial assets measured at amortised cost					
Security deposits		8.478		Discounted cash flows	Forecast cash flows, discount rate, maturity date etc
c) Financial liability measured at amortised cost					
Borrowings		-		Discounted cash flows	Forecast cash flows, discount rate, maturity date etc
Other financial liabilities		52.423		Discounted cash flows	Forecast cash flows, discount rate, maturity date etc

During the year ended 31 March 2020 & 31 March 2019 there were no transfers between level 1 and level 2 fair value measurements and no transfers into and out of level 3 fair value measurement.

Fair value of trade receivables, cash and cash equivalents and trade payables approximates their carrying value. Accordingly, fair value hierarchy disclosures are not applicable

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Note 35: Financial risk management policy and objectives

The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business. The Company is focused on maintaining a strong equity base to ensure independence, security, as well as financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company.

Company's principal financial liabilities, comprise borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance Company's operations (short term) and to provide guarantees to support its operations. Company's principal financial assets include investments, foreign exchange forward contracts, security deposit, trade and other receivables, and cash and cash equivalents, that derive directly from its operations.

Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

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i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk interest rate risk, currency risk and other price risk such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings, trade and other payables, investments, foreign exchange forward contracts, security deposit, advances to subsidiaries, trade and other receivables, deposits with banks.

The sensitivity analysis in the following sections relate to the position as at 31 March 2020 and 31 March 2019. The sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt, proportion of financial instruments in foreign currencies are all constant at 31 March 2020

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations.

Company's activities expose it to variety of financial risks, including effect of changes in foreign currency exchange rate and interest rate.

a) Foreign currency risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. Company transacts business in local currency INR and in different foreign currencies. The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 6 month period for hedges of forecasted sales and purchases.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

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Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR and GBP exchange rates, with all other variables held constant.

Particulars	Currency	Amount in foreign currency		Amount in INR	
		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Financial assets					
Trade receivables	EUR	0.281	0.280	20,418	20,304
	USD	0.237	0.270	16,130	18,040
Bank	EUR				
	USD	0.010	-	0.671	-
Cash	EUR				
	USD	0.010	-	0.759	-
Financial liabilities					
Trade payables	EUR	0.059	0.022	4,794	1,743
	GBP	-	-	-	-
	USD	0.330	0.419	23,631	29,603
PCFC	USD	-	-	-	-
Buyer's credit	USD	-	-	-	-

Currency wise net exposure (liabilities - assets)

Particulars	Amount in foreign currency		Amount in INR	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
USD	-0.073	-0.149	-7,501	-11,563
EUR	0.222	0.259	15,624	18,561
GBP	-	-	-	-

Sensitivity analysis

Currency	Amount in INR		Sensitivity %	Impact on Profit Before Tax	
	2020	2019		2020	2019
USD	-7,501	-11,563	+5%	-0.38	-0.58
			-5%	0.38	0.58
EUR	15,624	18,561	+5%	0.78	0.93
			-5%	-0.78	-0.93
GBP	-	-	-	-	-

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance. Trade receivables are non interest bearing and are generally on 120 days to 180 days credit term. The Company has no concentration of risk as customer base is widely distributed both economically and geographically.

The ageing of trade receivables at the reporting date that were not impaired are as follows :

Particulars	31-Mar-20	31-Mar-19
- Less than 90 days	113,738	303,367
- above 90 days	351,590	372,640
Total	465,328	676,007

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 32. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

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b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Company monitors rating, credit spreads and financial strength of its counter parties. Company monitors ratings, credit spread and financial strength of its counter parties. Based on ongoing assessment Company adjust it's exposure to various counterparties.

iii) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash flow and collateral obligations without incurring unacceptable losses. Company's objective is to, at all time maintain optimum levels of liquidity to meet its cash and collateral requirements. Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including overdraft, debt from domestic and international banks at optimised cost. Company enjoys strong access to domestic and international capital market across debt, equity and hybrids.

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

As at 31 March 2020				
ii) Credit risk	Carrying amount	On demand	Less than 6 months	Total
Interest bearing borrowings	-	-	-	-
Trade payables	254,530	-	254,530	254,530
Other financial liabilities	18,316	-	18,316	18,316

As at 31 March 2019				
Particulars	Carrying amount	On demand	Less than 6 months	Total
Interest bearing borrowings	-	-	-	-
Trade payables	283,090	-	283,090	283,090
Other financial liabilities	51,469	-	51,469	51,469

Note 36: Capital management

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

Particulars	31-Mar-20	31-Mar-19
Borrowings	-	-
Trade payables	254,529	283,090
Other financial liabilities	18,316	52,423
Less: Cash and cash equivalents	133,551	167,802
Net debt	139,295	167,711
Equity	960,215	995,359
Capital and net debt	1,099,510	1,163,070
Gearing ratio	13%	14%

Note 37: Detailed disclosures pertaining to expenditure on Corporate Social Responsibilities activities are provided in Director's Report