

## **INDEPENDENT AUDITORS' REPORT**

To the Members of PRAJ HIPURITY SYSTEMS LIMITED

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the Financial Statements of Praj Hipurity Systems Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of Material Accounting Policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2025, and its profit (including Other Comprehensive Income), 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 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 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.

#### **Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the 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 Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the

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 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 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 Financial Statements, including the disclosures, and whether the 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.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A; a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and except for the matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g).

- 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 Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With reference to the maintenance of accounts and other matters connected therewith, refer to our comment in paragraph 2(i)(vi) below, on reporting under rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014.
- g) With respect to the adequacy of the internal financial controls with reference to financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- h) 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.
- i) 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 Financial Statements – Refer Note 27 to the Financial Statements;
  - (ii) The Company has long-term contracts as at March 31, 2025 for which there were no material foreseeable losses. Company did not have any derivative contracts as at March 31, 2025.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
  - (iv) (a) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the Note to accounts to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities

identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) the management has represented to us, that, to the best of its knowledge and belief, as disclosed in the Note to accounts to the Financial Statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the information and explanation given to us and audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations made by the management and as mentioned under sub-clause (iv)(a) and (iv)(b) above contain any material misstatement.

- (v) The Company has not declared or paid dividend during the year.
- (vi) Based on our examination which included test checks, the Company, has used an accounting software, for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that no audit trail (edit log) facility/feature was enabled at the database level to log any direct changes. During our audit, so far it relates to audit trail in respect of transactions, we did not come across any instance of audit trail feature being tampered with.

Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

For **P G BHAGWAT LLP**  
Chartered Accountants  
Firm Registration Number: 101118W/W100682

Sd/-  
Abhijit Shetye  
Partner  
Membership Number: 151638  
UDIN: 2515638BMUIIA7710  
Place: Pune  
Date: April 25, 2025

## **Annexure A to the Independent Auditors' Report**

Referred to in paragraph 1 under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.  
  
(B) The Company is maintaining proper records showing full particulars of intangible assets;
- (b) The Property, Plant & Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, a portion of the Property, Plant & Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3 Property, Plant & Equipment, to the financial statements, are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.
- (e) According to the information and explanations provided to us there are no proceedings have been initiated or are pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder. Hence reporting under clause 3(i) (e) of the order is not applicable.
- ii. (a) The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion and based on the policy adopted by the management, the coverage and procedure of such verification is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) According to the information and explanations provided to us, the company has been sanctioned working capital limits in excess of five crore rupees during the year, in aggregate, from banks or financial institutions on the basis of security of current assets. The management of the company has provided us with the quarterly returns or statements, which they have represented to us have been filed by the company with their banks or financial institutions. In our opinion, these quarterly returns or statements are in agreement with the books of account of the Company.
- iii. (a) The company has not made investments in, stood any guarantee or provided any security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties except loans to employees.

The aggregate amount such loans granted during the year and balances thereof as at balance sheet date are as under –

<b>Particulars</b>	<b>Loans (Rs. in Millions)</b>
Aggregate amount granted/ provided during the year	
- Others (Employees)	0.150
Balance outstanding as at balance sheet date in respect of above cases	
- Others (employees)	0.295

- (b) In terms of the information and explanations given to us and the books of account and records examined by us, the terms and conditions of the grant of all aforesaid loans during the year are not prejudicial to the Company's interest.
- (c) In respect of the aforesaid loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.
- (d) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.
- (e) In respect of the loans granted which has fallen due during the year, no renewal or extension were granted or no fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or any terms or without specifying period of repayment.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- 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 in case of income tax, though there has been a slight delay in few cases, and is regular in depositing undisputed statutory dues, including Goods and Service Tax, provident fund, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of provident fund, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2025 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in million)	Amount paid under protest (Rs. in million)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act 1961	Income Tax	2.894	0.580	AY 2022-23	Commissioner of Income Tax (Appeals)
Goods and Service Tax Act	Goods and service tax	1.230	-	FY 2018-2019	Commissioner of Central GST

- viii. In terms of the information and explanations given to us and the books of account and records examined by us, the Company has not surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence reporting under clause 3(viii) of the order is not applicable.
- ix.(a) As the Company does not have any loans or other borrowings from any lender as at the balance sheet date, the provisions of Clause 3(ix)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us and on the basis of our audit procedures, the Company has not availed any term loan.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) The company does not have any subsidiary, associate or joint venture, hence reporting under clause 3(ix)(e) of the order is not applicable.
- (f) The company does not have any subsidiary, associate or joint venture, hence reporting under clause 3(ix)(f) of the order is not applicable.
- x. (a) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) during the year. Accordingly, the provisions of Clause 3(x)(a) of the Order are not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year. Accordingly, the provisions of Clause 3(x)(b) of the Order are not applicable to the Company.



- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) 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, report in the form ADT-4 as specified under sub-section (12) of section 143 of the Companies Act has not been filed. Accordingly reporting under clause 3(xi)(b) of the order is not applicable.
- (c) 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 and as represented to us by the management, there are no whistle blower complaints received by the company during the year.'
- 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 related party transactions have been disclosed in the financial statements as required under Accounting Standard Ind AS 24, Related Party Disclosures specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. Refer Note 29 to financial statements.
- xiv. (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the company issued till date, for the period under audit.
- 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. PRAJ HIPURITY SYSTEMS LIMITED AUDIT REPORT MARCH 31, 2025
- xvi. (a) 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)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and procedures performed by us, we report that the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Therefore reporting under clause 3(xvi)(b) of the order is not applicable.
- (c) According to the information and explanations given to us and procedures performed by us, the Company is not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, hence reporting under clause 3(xvi)(c) of the order is not applicable.
- (d) Based on information and explanation given to us and as represented by the management, the Group does not have any Core Investment Company (CIC) as part of the Group.

- xvii. The Company has not incurred cash losses during current financial year and had not incurred cash losses during immediately preceding financial year.
- xviii. There has been no resignation by statutory auditors during the year hence reporting under clause 3(xviii) of the order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) There are no unspent amounts towards Corporate Social Responsibility (CSR) in respect of ongoing projects requiring a transfer to a Special Account in compliance with sub-section (6) of Section 135 of the Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For **P G BHAGWAT LLP**  
Chartered Accountants  
Firm Registration Number: 101118W/W100682

Sd/-  
Abhijit Shetye  
Partner  
Membership Number: 151638  
UDIN: 25151638BMUIIA7710  
Place: Pune  
Date: April 25, 2025

## **Annexure B to the Independent Auditors' Report**

Referred to in paragraph 2 (g) 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 Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to the Financial Statements of PRAJ HIPURITY SYSTEMS LIMITED ("the Company") as of March 31, 2025 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the 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 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 with reference to the Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Financial Statements included obtaining an understanding of internal financial controls with reference to the Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the Financial Statements.

### **Meaning of Internal Financial controls with reference to the Financial Statements**

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

### **Inherent Limitations of Internal Financial Controls with reference to the Financial Statements**

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

### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to the Financial Statements and such internal financial controls with reference to the Financial Statements were operating effectively as at March 31, 2025, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **P G BHAGWAT LLP**  
Chartered Accountants  
Firm Registration Number: 101118W/W100682

Sd/-  
Abhijit Shetye  
Partner

Membership Number: 151638  
UDIN: 25151638BMUIIA7710  
Place: Pune  
Date: April 25, 2025

**PRAJ HIPURITY SYSTEMS LIMITED**  
**Balance sheet as at 31st March, 2025**

*(Amounts in Indian Rupees million unless otherwise stated)*

Particulars	Note No.	31st Mar 2025	31st Mar 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	154.875	159.338
Right-of-Use assets	3	58.994	24.742
Capital work-in-progress	3	-	5.847
Intangible assets	3	-	0.118
Financial assets			
Other	4	8.665	7.530
Income Tax Assets		4.219	-
Deferred tax assets (net)	24	25.565	23.156
Other non-current assets	5	0.188	0.873
<b>Total non-current assets</b>		<b>252.506</b>	<b>221.604</b>
<b>Current assets</b>			
Inventories	6	253.879	492.301
Financial assets			
Trade receivables	7	797.916	870.782
Cash and cash equivalents	8	105.078	181.648
Other Bank Balance	8A	0.051	0.049
Other Current Financial Assets	9	4.370	3.157
Other current assets	5	898.795	163.353
<b>Total current assets</b>		<b>2,060.089</b>	<b>1,711.290</b>
<b>Total assets</b>		<b>2,312.595</b>	<b>1,932.894</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10	50.000	50.000
Other equity	11	985.910	775.706
<b>Total equity</b>		<b>1,035.910</b>	<b>825.706</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
Lease Liabilities	30	41.555	13.214
Other financial liabilities	13	0.700	0.500
Provisions	12	18.779	16.429
<b>Total non-current liabilities</b>		<b>61.034</b>	<b>30.143</b>
<b>Current liabilities</b>			
Financial liabilities			
Lease Liabilities	30	21.084	15.135
Trade payables	15		
(i) Total outstanding dues to micro enterprises and small enterprises (MSMED)		235.331	146.655
(ii) Total outstanding dues to other than micro enterprises and small enterprises		537.375	539.826
Other financial liabilities	13	30.077	52.862
Other current liabilities	14	355.154	288.940
Provisions	12	36.630	31.222
Current tax liabilities (net)		-	2.405
<b>Total current liabilities</b>		<b>1,215.651</b>	<b>1,077.045</b>
<b>Total liabilities</b>		<b>1,276.685</b>	<b>1,107.188</b>
<b>Total equity and liabilities</b>		<b>2,312.595</b>	<b>1,932.894</b>

Summary of Material accounting policies

*The accompanying notes are an integral part of these financial statements*

As per our report of even date attached

**For P G BHAGWAT LLP**

Chartered Accountants

FRN: 101118W/ W100682

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

SD/-  
**Abhijit Shetye**  
(Partner)

M. No. 151638  
Place : Pune

Date : 25th April, 2025

SD/-  
**Dr. Pramod Chaudhari**  
(Chairman)

DIN: 00196415

SD/-  
**Mihir Mehta**  
(CBO & Whole time Director)

DIN: 09736913

SD/-  
**Shishir Joshipura**  
(Director)

DIN: 00574970

SD/-  
**Anant Bavare**  
(Comapany Secretary)

M. No.21405

**PRAJ HIPURITY SYSTEMS LIMITED**  
**Statement of profit and loss for the year ended 31st March 2025**

*(Amounts in Indian Rupees million unless otherwise stated)*

Particulars	Note No.	31st Mar 2025	31st Mar 2024
<b>Income</b>			
Revenue from operations	16	3,102.743	3,021.662
Other income	17	7.899	30.479
<b>Total income</b>		<b>3,110.642</b>	<b>3,052.141</b>
<b>Expenses</b>			
Cost of materials consumed	18	1,796.448	1,927.071
Changes in inventories of finished goods and work-in-progress	19	148.105	(67.117)
Employee benefits expense	20	280.491	284.055
Finance costs	21	11.831	8.459
Depreciation and amortisation expense	3	41.500	34.213
Other expenses	22	543.104	558.709
<b>Total expense</b>		<b>2,821.479</b>	<b>2,745.390</b>
<b>Profit before exceptional items and tax</b>		<b>289.163</b>	<b>306.751</b>
Exceptional items		-	-
<b>Profit before tax</b>		<b>289.163</b>	<b>306.751</b>
<b>Tax expenses</b>	24		
Current tax		76.300	75.123
Deferred tax		(1.338)	(1.157)
(Excess) / Short Provision of Earlier Year		0.812	1.635
<b>Total tax expense</b>		<b>75.774</b>	<b>75.601</b>
<b>Profit for the year</b>		<b>213.389</b>	<b>231.150</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurements gains and losses on post-employment benefit plans	23	4.256	10.038
Income tax relating to items above		(1.071)	-
<b>Total comprehensive income for the year (comprising profit (loss) and other comprehensive income for the year)</b>		<b>210.204</b>	<b>221.112</b>
<b>Earnings per equity share (for discontinued and continuing operations)</b>			
(1) Basic		42.678	46.230
(2) Diluted		42.678	46.230

*The accompanying notes are an integral part of these financial statements*

As per our report of even date attached

**For P G BHAGWAT LLP**

Chartered Accountants

FRN: 101118W/ W100682

**For and on behalf of the Board of Directors of**

**PRAJ HIPURITY SYSTEMS LIMITED**

SD/-

**Abhijit Shetye**  
(Partner)

M. No. 151638

Place : Pune

Date : 25th April, 2025

SD/-

**Dr. Pramod Chaudhari**  
(Chairman)

DIN: 00196415

SD/-

**Mihir Mehta**  
(CBO & Whole time Director)

DIN: 09736913

SD/-

**Shishir Joshipura**  
(Director)

DIN: 00574970

SD/-

**Anant Bavare**  
(Comapany Secretary)

M. No.21405

**PRAJ HIPURITY SYSTEMS LIMITED**  
**Statement of cash flows for the year ended 31st March, 2025**

*(Amounts in Indian Rupees million unless otherwise stated)*

Particulars	31 MAR 2025	31 MAR 2024
<b>A. Cash flow from operating activities</b>		
Net profit before tax	289.163	306.751
<b>Adjustments</b>		
(Profit) / loss on sale of property, plant and equipment	0.401	0.475
Net Gain on termination of lease	(0.057)	-
Depreciation and amortisation	41.500	34.213
Excess Provision written back	(2.980)	(0.000)
Sundry balances written off	0.000	0.992
Provision for doubtful debts	0.443	1.236
Interest earned	(0.765)	(6.674)
Finance cost other than Net interest cost on net defined benefit obligations	9.936	8.459
<b>Operating profit before working capital changes</b>	<b>337.641</b>	<b>345.452</b>
<b>Changes in working capital</b>		
(Increase) /decrease in trade receivables	72.422	(287.302)
(Increase)/decrease in inventories	238.422	(131.602)
(Increase)/decrease in other non current financial assets	(1.135)	25.696
(Increase)/decrease in other assets	(734.658)	(0.606)
(Increase)/decrease in other current financial assets	(1.215)	4.980
Increase/(decrease) in trade payables	89.205	305.934
Increase/(decrease) in other financial liabilities	(22.585)	26.550
Increase/(decrease) in other current liabilities	66.214	25.997
Increase/(decrease) in provisions	3.502	2.373
<b>Cash generated from operations</b>	<b>47.813</b>	<b>317.473</b>
Direct taxes paid (including taxes deducted at source), net of refunds	(83.735)	(92.593)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(35.922)</b>	<b>224.880</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress and intangibles under development)	(11.304)	(18.553)
Proceeds from sale of property, plant and equipment	0.583	1.153
Investment in Fixed Deposit	0.765	6.674
<b>NET CASH FROM / (USED) IN INVESTING ACTIVITIES</b>	<b>(9.956)</b>	<b>(10.726)</b>
<b>C. Cash flow from financing activities</b>		
Dividend paid (including dividend distribution tax)	-	(250.000)
Interest expense	(4.784)	(4.244)
Payment of Principal of Lease Liabilities	(25.908)	(16.560)
<b>NET CASH FROM / (USED) IN FINANCING ACTIVITIES</b>	<b>(30.692)</b>	<b>(270.804)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(76.570)</b>	<b>(56.650)</b>
<b>Other Bank Balance</b>		
<b>Cash and cash equivalents at the beginning of the year (Refer Note 8)</b>	<b>181.648</b>	<b>238.298</b>
<b>Effect of exchange rate changes on cash and cash equivalent</b>		<b>-</b>
<b>Cash and cash equivalents at the end of the year (Refer Note 8)</b>	<b>105.078</b>	<b>181.648</b>
<b>Notes:</b>		
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 Cash Flow Statement		
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>As per our report of even date attached</p> <p><b>For P G BHAGWAT LLP</b> Chartered Accountants FRN: 101118W/ W100682</p> <p>SD/- <b>Abhijit Shetye</b> (Partner) M. No. 151638 Place : Pune Date : 25th April, 2025</p> </div> <div style="width: 45%; text-align: center;"> <p><b>For and on behalf of the Board of Directors of PRAJ HIPURITY SYSTEMS LIMITED</b></p> <p>SD/- <b>Dr. Pramod Chaudhari</b> (Chairman) DIN: 00196415</p> <p>SD/- <b>Mihir Mehta</b> (CBO &amp; Whole time Director) DIN: 09736913</p> <p>SD/- <b>Shishir Joshipura</b> (Director) DIN: 00574970</p> <p>SD/- <b>Anant Bavare</b> (Comapany Secretary) M. No.21405</p> </div> </div>		

**PRAJ HIPURITY SYSTEMS LIMITED**  
**Statement of changes in equity for the year ended 31st March, 2025**  
*(Amounts in Indian Rupees million unless otherwise stated)*

A. Equity share capital

Balance as at 1 April 2023	Changes in equity share capital during the year	Balance as at 31 March 2024
50.000	-	50.000
Balance as at 1 April 2024	Changes in equity share capital during the year	Balance as at 31st March 2025
50.000	-	50.000

B. Other equity

Particulars	Reserves and surplus		Total
	General reserve	Retained earnings	
Balance as at 31st Mar 2023	157.770	646.824	804.592
Profit for the period		231.150	231.150
Other comprehensive income	-	10.038	10.038
Dividend Paid		(250.000)	(250.000)
Balance as at 31st March 2024	157.770	617.936	775.706
Profit for the period		213.389	213.389
Other comprehensive income	-	(3.185)	(3.185)
Balance as at 31st March 2025	157.770	828.140	985.910
As per our report of even date attached			
For P G BHAGWAT LLP		For and on behalf of the Board of Directors of	
Chartered Accountants		PRAJ HIPURITY SYSTEMS LIMITED	
FRN: 101118W/ W100682			
SD/-	SD/-	SD/-	SD/-
Abhijit Shetye	Dr. Pramod Chaudhari	Mihir Mehta	Shishir Joshipura
(Partner)	(Chairman)	(CBO & Whole time Director)	(Director)
M. No. 151638	DIN: 00196415	DIN: 09736913	DIN: 00574970
Place : Pune			M. No.21405
Date : 25th April, 2025			



**Praj HiPurity Systems Limited**  
**Notes to the financial statements for the year ended 31st March, 2025**  
*(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-DLH	Right of Use Asset - Building-AIROLI	Right of Use Asset - Building-WADA LAN Setup	Right of Use Asset - Building-UNIT II	Right of Use Asset - Workshop Equipment	Right of Use Asset - Laptop	Right of Use Asset - Vehicle	Plant and machinery	Office equipments	Vehicles	Furniture and fixtures	Electric fittings and installations	Computers	Total	Software	Total	
<b>Gross block</b>																			
As at 1 April 2024	6.667	249.920	25.270	-	4.917	-	7.276	17.969	11.498	217.448	6.665	3.979	23.995	9.609	5.660	<b>585.954</b>	12.256	<b>12.256</b>	<b>598.211</b>
Additions during the year	-	3.733	-	4.666		20.678	23.344	1.152	3.233	8.957	1.730	-	0.333	0.014	2.285	<b>75.043</b>	-	<b>-</b>	<b>75.043</b>
Deletions during the year	-							4.656	3.230	4.564	0.307	-	1.279	-	1.313	<b>15.350</b>	-	<b>-</b>	<b>15.350</b>
As at 31st March, 2025	<b>6.667</b>	<b>253.653</b>	<b>25.270</b>	<b>4.666</b>	<b>4.917</b>	<b>20.678</b>	<b>30.620</b>	<b>14.464</b>	<b>11.501</b>	<b>221.841</b>	<b>8.087</b>	<b>3.979</b>	<b>23.048</b>	<b>9.623</b>	<b>6.632</b>	<b>645.648</b>	<b>12.256</b>	<b>12.256</b>	<b>657.904</b>
<b>Accumulated depreciation and amortisation</b>																			
As at 1 April 2024	-	159.111	16.912	-		-	6.034	12.400	1.923	166.857	4.241	3.791	16.288	9.526	4.789	<b>401.874</b>	12.139	<b>12.139</b>	<b>414.013</b>
Charge for the year	-	5.673	5.136	1.214	0.256	3.578	3.251	5.101	2.316	11.853	0.774	0.116	1.680	0.026	0.408	<b>41.382</b>	0.118	<b>0.118</b>	<b>41.500</b>
Depreciation on deletions	-							4.656	0.343	3.840	0.067	-	1.28	-	1.293	<b>11.478</b>	-	<b>-</b>	<b>11.478</b>
As at 31st March, 2025	-	<b>164.785</b>	<b>22.048</b>	<b>1.214</b>	<b>0.256</b>	<b>3.578</b>	<b>9.285</b>	<b>12.845</b>	<b>3.895</b>	<b>174.870</b>	<b>4.948</b>	<b>3.907</b>	<b>16.689</b>	<b>9.552</b>	<b>3.905</b>	<b>431.779</b>	<b>12.256</b>	<b>12.256</b>	<b>444.035</b>
<b>Net carrying value</b>																			
As at 31st March, 2025	<b>6.667</b>	<b>88.868</b>	<b>3.222</b>	<b>3.452</b>	<b>4.661</b>	<b>17.100</b>	<b>21.335</b>	<b>1.619</b>	<b>7.605</b>	<b>46.971</b>	<b>3.139</b>	<b>0.072</b>	<b>6.359</b>	<b>0.071</b>	<b>2.727</b>	<b>213.869</b>	-	<b>-</b>	<b>213.869</b>
As at 31 March 2024	<b>6.667</b>	<b>90.808</b>	<b>8.358</b>	-	-	-	<b>1.242</b>	<b>5.568</b>	<b>9.575</b>	<b>50.590</b>	<b>2.423</b>	<b>0.188</b>	<b>7.707</b>	<b>0.083</b>	<b>0.871</b>	<b>184.080</b>	<b>0.118</b>	<b>0.118</b>	<b>184.198</b>

Particulars	Capital work-in-progress
As at 31 March 2023	2.769
Addition	3.078
Capitalisation	-
As at 31 March 2024	<b>5.847</b>
Addition	6.858
Capitalisation	12.704
As at 31st March, 2025	-

**As at 31st March 2024**

Particulars	Tangible assets																Intangible assets		Grand total
	Freehold land	Factory Building	Right of Use Asset - Building-DLH	Right of Use Asset - Building-AIROLI	Right of Use Asset - Building-WADA LAN Setup	Right of Use Asset - Building-UNIT II	Right of Use Asset - Workshop Equipment	Right of Use Asset - Laptop	Right of Use Asset - Vehicle	Plant and machinery	Office equipments	Vehicles	Furniture and fixtures	Electric fittings and installations	Computers	Total	Software	Total	
<b>Gross block</b>																			
As at 1 April 2023	6.667	244.280	25.270	-	-	-	5.450	17.969	1.213	213.786	5.052	4.511	23.995	9.609	8.224	<b>566.026</b>	12.256	<b>12.256</b>	<b>578.282</b>
Additions during the year	-	5.640	-	-	-	-	1.826	-	10.285	8.209	1.613	-	-	-	0.737	<b>28.310</b>	-	<b>-</b>	<b>28.310</b>
Deletions during the year	-	-	-	-	-	-	-	-	-	4.547	-	0.532	-	-	3.301	<b>8.380</b>	-	<b>-</b>	<b>8.380</b>
As at 31st March, 2024	<b>6.667</b>	<b>249.920</b>	<b>25.270</b>	-	-	-	<b>7.276</b>	<b>17.969</b>	<b>11.498</b>	<b>217.448</b>	<b>6.665</b>	<b>3.979</b>	<b>23.995</b>	<b>9.609</b>	<b>5.660</b>	<b>585.956</b>	<b>12.256</b>	<b>12.256</b>	<b>598.212</b>
<b>Accumulated depreciation and amortisation</b>																			
As at 1 April 2023	-	153.600	11.763	-	-	-	5.450	6.327	0.020	157.945	3.793	3.669	14.577	9.500	7.694	<b>374.338</b>	11.490	<b>11.490</b>	<b>385.828</b>
Charge for the year	-	5.511	5.149	-	-	-	0.584	6.073	1.903	11.344	0.448	0.480	1.711	0.026	0.396	<b>33.625</b>	0.649	<b>0.649</b>	<b>34.274</b>
Depreciation on deletions	-	-	-	-	-	-	-	-	-	2.432	-	0.36	-	-	3.301	<b>6.091</b>	-	<b>-</b>	<b>6.091</b>
As at 31st March, 2024	-	<b>159.111</b>	<b>16.912</b>	-	-	-	<b>6.034</b>	<b>12.400</b>	<b>1.923</b>	<b>166.857</b>	<b>4.241</b>	<b>3.791</b>	<b>16.288</b>	<b>9.526</b>	<b>4.789</b>	<b>401.872</b>	<b>12.139</b>	<b>12.139</b>	<b>414.011</b>
<b>Adjusted through reserves</b>																			
<b>Net carrying value</b>																			
As at 31st March, 2024	<b>6.667</b>	<b>90.809</b>	<b>8.358</b>	-	-	-	<b>1.242</b>	<b>5.569</b>	<b>9.575</b>	<b>50.591</b>	<b>2.424</b>	<b>0.188</b>	<b>7.707</b>	<b>0.083</b>	<b>0.871</b>	<b>184.080</b>	<b>0.118</b>	<b>0.118</b>	<b>184.198</b>
As at 31 March 2023	<b>6.667</b>	<b>90.680</b>	<b>13.507</b>	-	-	-	-	<b>11.642</b>	<b>1.193</b>	<b>55.841</b>	<b>1.259</b>	<b>0.842</b>	<b>9.418</b>	<b>0.109</b>	<b>0.530</b>	<b>191.687</b>	<b>0.766</b>	<b>0.766</b>	<b>192.453</b>

**PRAJ HIPURITY SYSTEMS LIMITED****Notes to the financial statements for the year ended 31st March, 2025***(Amounts in Indian Rupees million unless otherwise stated)***Note 4: Other Non Current Financial Asset**

Particulars	31st Mar 2025	31st Mar 2024
<b>Security deposits</b>		
Unsecured, considered good		
Non-current	8.665	7.530
<b>Total</b>	<b>8.665</b>	<b>7.530</b>

**Note 5: Other assets**

Particulars	31st Mar 2025	31st Mar 2024
<b>(i) Prepaid expenses</b>		
Unsecured, considered good		
Non-current	0.090	0.873
Current	7.891	5.324
<b>(ii) Balances with central excise, customs and VAT authorities</b>		
Unsecured, considered good		
Current	113.934	19.683
<b>(iii) Advance to vendors</b>		
Unsecured, considered good		
Current	24.505	7.965
<b>(iv) Capital Advance</b>		
Unsecured, considered good		
Non-current	0.099	-
<b>(v) Advance to Staff</b>		
Unsecured, considered good		
Current	8.298	5.973
<b>(vi) Contract Asset</b>		
Contract in Progress	649.955	54.248
Retention Money		
Unsecured considered Good	94.211	70.160
Unsecured considered Doubtful	20.057	20.057
Retention Money	<b>114.268</b>	<b>90.217</b>
Less : Loss Allowance	(20.057)	(20.057)
	94.211	70.160
<b>Total</b>	<b>898.983</b>	<b>164.226</b>
<b>Non-current</b>	<b>0.188</b>	<b>0.873</b>
<b>Current</b>	<b>898.795</b>	<b>163.353</b>

**Note 6: Inventories**

Particulars	31st Mar 2025	31st Mar 2024
Raw materials	197.462	288.312
Work-in-progress	48.634	174.525
Packing material	0.498	0.578
Consumables, stores and spares	6.707	6.094
Finished goods	0.578	22.792
<b>Total</b>	<b>253.879</b>	<b>492.301</b>

(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. The provision made during current year is for Rs. 12.554 (PY Rs. 13.179). Inventory values shown above are net of the write down. These were recognized as an expense during the year and included in 'Cost of materials consumed'.

(iii) There are no written down value of inventory provision for CY and PY.

**PRAJ HIPURITY SYSTEMS LIMITED****Notes to the financial statements for the year ended 31st March, 2025***(Amounts in Indian Rupees million unless otherwise stated)***Note 7: Trade receivables**

Particulars	31st Mar 2025	31st Mar 2024
Trade receivables		
Unsecured, considered good		
From related parties	-	-
From others	797.916	870.782
Unsecured, considered doubtful from others	19.943	19.500
	<b>817.859</b>	<b>890.282</b>
Less: Loss allowance for expected credit loss	19.943	19.500
<b>Total</b>	<b>797.916</b>	<b>870.782</b>

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 29

For trade receivables aging refer note 35A

There are no disputed dues as at 31st March 2025 in Trade Receivable

**Note 8: Cash and cash equivalents**

Particulars	31st Mar 2025	31st Mar 2024
(i) Balances with banks		
On current accounts	14.911	31.113
Deposits with original maturity of less than 3 months	90.000	150.000
(ii) Cash on hand	0.167	0.535
<b>Total</b>	<b>105.078</b>	<b>181.648</b>

**Note 8A: Other Bank Balance**

Particulars	31st Mar 2025	31st Mar 2024
(i) Other Bank Balance	0.051	0.049
	<b>0.051</b>	<b>0.049</b>
Non-current	-	-
Current	0.051	0.049

**Note 9: Other Current Financial Assets**

Particulars	31st Mar 2025	31st Mar 2024
Other Financial Assets		
Interest accrued on deposit	0.050	0.050
Security deposits	4.297	1.465
Other receivable	0.023	1.642
<b>Total</b>	<b>4.370</b>	<b>3.157</b>

**PRAJ HIPURITY SYSTEMS LIMITED****Notes to the financial statements for the year ended 31st March, 2025***(Amounts in Indian Rupees million unless otherwise stated)***Note 10: Equity share capital**

Particulars	31st Mar 2025	31st Mar 2024
<b>Authorised shares</b> 50,00,000 (31 March 2025: 50,00,000 ; 31 March 2024: 50,00,000) equity shares of INR 10 each	50.000	50.000
<b>Issued, subscribed and fully paid-up shares</b> 50,00,000 (31 March 2025: 50,00,000 ; 31 March 2024: 50,00,000) equity shares of INR 10 each	50.000	50.000
<b>Total</b>	<b>50.000</b>	<b>50.000</b>

**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 2025, 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 2025		31st Mar 2024	
	Number	Amount	Number	Amount
At the beginning of the year	50,00,000	50.000	50,00,000	50.000
Add: Additions during the year				
Outstanding at the end of the year	50,00,000	50.000	50,00,000	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) (Including its Nominees)

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

Particulars	31st Mar 2025		31st Mar 2024	
	Number	% holding	Number	% holding
<b>Equity shares of INR 10 each fully paid</b> Holding Company (Praj Industries Limited)	50,00,000	100%	50,00,000	100%

**e) Change in promoters' shareholding during the year**

There is no change in promoters' shareholding during the year 2024-25

Name of shareholder	31st Mar 2025		31st Mar 2024	
	Number	% holding	Number	% holding
<b>Equity shares of INR 10 each fully paid</b> Holding Company (Praj Industries Limited) (Including its Nominees)	50,00,000	100%	50,00,000	100%

**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:**

Particulars	31st Mar 2025	31st Mar 2024
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, 2025***(Amounts in Indian Rupees million unless otherwise stated)***Note 11: Other equity**

Particulars	31st Mar 2025	31st Mar 2024
<b>(i) General reserve</b>	<b>157.770</b>	<b>157.770</b>
Add: amounts transferred from surplus balance in Statement of Profit and Loss		
<b>(ii) Surplus in the Statement of Profit and Loss</b>		
At the beginning of the Year	617.936	646.824
Profit as per Statement of Profit and Loss	213.389	231.150
Other Comprehensive Income as per Statement of Profit and Loss	(3.185)	(10.038)
Dividend Paid	-	(250.000)
<b>At the end of the Year</b>	<b>828.140</b>	<b>617.936</b>
<b>Total</b>	<b>985.910</b>	<b>775.706</b>

**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 12: Provisions**

Particulars	31st Mar 2025	31st Mar 2024
<b>Provision for employee benefits</b>		
<b>(i) Provision for leave encashment</b>		
Non-current	18.779	16.429
Current	3.551	2.219
<b>(ii) Provision for gratuity</b>		
Current	33.079	29.003
<b>Total</b>	<b>55.409</b>	<b>47.651</b>
<b>Non-current</b>	<b>18.779</b>	<b>16.429</b>
<b>Current</b>	<b>36.630</b>	<b>31.222</b>

**Note 13: Other financial liabilities**

Particulars	31st Mar 2025	31st Mar 2024
<b>(ii) Other financial liabilities</b>	<b>30.777</b>	<b>53.362</b>
<b>Employee Benefits Payable</b>		
Current	30.077	52.862
<b>Other Payable</b>		
Non-current	0.700	0.500
<b>Total</b>	<b>30.777</b>	<b>53.362</b>
<b>Non-current</b>	<b>0.700</b>	<b>0.500</b>
<b>Current</b>	<b>30.077</b>	<b>52.862</b>

**PRAJ HIPURITY SYSTEMS LIMITED****Notes to the financial statements for the year ended 31st March, 2025**

(Amounts in Indian Rupees million unless otherwise stated)

**Note 14: Other current liabilities**

Particulars	31st Mar 2025	31st Mar 2024
<b>(i) Advances received from customers</b>		
Current	348.047	284.098
<b>(ii) Statutory Dues Payable</b>		
Current	5.756	4.842
<b>(iii) Dues to Customer related to Contract in Progress</b>		
Current	1.351	-
<b>Total</b>	<b>355.154</b>	<b>288.940</b>
<b>Non-current</b>	-	-
<b>Current</b>	<b>355.154</b>	<b>288.940</b>

**Note 15: Trade payables**

Particulars	31st Mar 2025	31st Mar 2024
<b>To related parties</b>	-	0.920
<b>To others</b>		
Total outstanding dues to micro enterprises and small enterprises (MSMED) (Refer Note iii below)	235.331	146.655
Total outstanding dues to other than micro enterprises and small enterprises	537.375	538.906
<b>Total</b>	<b>772.706</b>	<b>686.481</b>

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, 2025, to Micro, Small and Medium Enterprises on account of principal or interest.

**Notes :**

- Refer Note 35B for ageing schedule
- Trade payables are non-interest bearing and are normally settled on 60-90 days terms
- The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at March 31, 2025. The disclosure pursuant to the said Act is as under:

Particulars	31st Mar 2025	31st Mar 2024
Total outstanding amount in respect of micro and small enterprises	235.331	146.655
Principal amount due and remaining unpaid	-	-
Interest due on above and unpaid interest	-	-
Interest paid	-	-
Payment made beyond appointment day	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid (excluding interest accrued for earlier years)	-	-
Amount of further interest remaining due and payable in succeeding years	-	-
The identification of suppliers as micro, small and medium enterprise as defined under the Micro, Small and Medium Enterprises Development Act 2006, was done on the basis of information to the extent provided by the suppliers of company.		

**PRAJ HIPURITY SYSTEMS LIMITED****Notes to the financial statements for the year ended 31st March, 2025***(Amounts in Indian Rupees million unless otherwise stated)***Note 16: Revenue from operations**

Particulars	31st Mar 2025	31st Mar 2024
Sale of products and projects	2,173.070	2,450.078
Add : Closing contract in progress*	648.604	54.248
Less : Opening contract in progress	54.248	-
<b>Sale of products and projects</b>	<b>2,767.426</b>	<b>2,504.326</b>
Sale of services - Domestic	199.852	477.444
Sale of services - Export	131.061	31.708
<b>Other operating Income</b>		
Scrap Sales	4.285	4.638
Export Incentive	0.119	3.546
<b>Total</b>	<b>3,102.743</b>	<b>3,021.662</b>

\* The number is net off dues to customer related to contract in progress.

**Note 17: Other income**

Particulars	31st Mar 2025	31st Mar 2024
Interest income	0.765	6.674
Net gain on sale of property, plant and equipment	-	0.216
Sundry balances written back	0.098	(0.000)
Excess Provision written back	2.883	19.235
Foreign exchange gain (net)	4.054	3.174
Miscellaneous income	0.099	1.180
<b>Total</b>	<b>7.899</b>	<b>30.479</b>

**Note 18: Cost of materials consumed**

Particulars	31st Mar 2025	31st Mar 2024
Raw material consumed	1,796.448	1,927.071
<b>Total</b>	<b>1,796.448</b>	<b>1,927.071</b>

**Note 19: Changes in inventories of finished goods and work-in-progress**

Particulars	31st Mar 2025	31st Mar 2024
<b>Inventories at the end of the year</b>		
Finished goods	0.578	22.792
Work-in-progress	48.634	174.525
	<b>49.212</b>	<b>197.317</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	22.792	0.991
Work-in-progress	174.525	129.209
	<b>197.317</b>	<b>130.200</b>
<b>(Increase) / decrease in inventories</b>	<b>148.105</b>	<b>(67.117)</b>

**Note 20: Employee benefits expense**

Particulars	31st Mar 2025	31st Mar 2024
Salaries, wages and bonus	260.683	262.986
Contributions to provident and other funds (Refer note 31)	6.043	5.549
Gratuity expense (Refer note 31)	3.297	2.331
Staff welfare	10.468	13.189
<b>Total</b>	<b>280.491</b>	<b>284.055</b>

**Note 21: Finance costs**

Particulars	31st Mar 2025	31st Mar 2024
Interest on ICD	1.154	1.154
Commission on Corporate Guarantee	3.630	3.090
Net interest cost on net defined benefit obligations	1.895	1.288
Interest on Lease Liability	5.152	2.927
<b>Total</b>	<b>11.831</b>	<b>8.459</b>

**PRAJ HIPURITY SYSTEMS LIMITED****Notes to the financial statements for the year ended 31st March, 2025**

(Amounts in Indian Rupees million unless otherwise stated)

**Note 22: Other expenses**

Particulars	31st Mar 2025	31st Mar 2024
Consumption of Stores & spares	36.567	27.118
Site expenses and labour charges	208.577	249.905
Freight and transport	19.853	11.546
Factory expenses	10.715	7.640
Testing charges	4.886	2.590
Duties and taxes	0.714	6.565
Bad Debts	0.139	20.471
Provision for doubtful debts	0.443	-
Sundry balances written off	0.000	0.993
Commission and brokerage	-	0.735
Travelling and conveyance	79.513	72.786
Professional consultancy charges	50.261	43.181
Insurance	15.618	11.074
Rent	9.729	4.745
Royalty Fees	2.863	5.025
Power and fuel	6.667	5.743
Communication expenses	1.235	1.754
Business promotion expenses	9.196	9.238
Contract Labour Charges	49.777	45.037
Repairs and maintenance - Plant and machinery	5.624	4.944
Repairs and maintenance - Others	10.007	5.234
Auditor's Remuneration		
For Audit Services	1.190	1.190
For Certificate charges	0.060	0.033
Out of pocket expenses	0.040	0.091
Rates and taxes	1.169	0.840
Corporate social responsibility expenses (Refer Note 32)	5.023	4.214
Loss on Sale of Asset	0.401	0.692
Miscellaneous expenses	12.837	15.325
<b>Total</b>	<b>543.104</b>	<b>558.709</b>

**Note 23: Items that will not be reclassified to profit or loss**

Particulars	31st Mar 2025	31st Mar 2024
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurements gains and losses on post-employment benefit plans	4.256	10.038
<b>Income tax relating to items that will not be reclassified to profit or loss</b>		
Tax on remeasurements gains and losses on post-employment benefit plans	(1.071)	-



**PRAJ HIPURITY SYSTEMS LIMITED**
**Notes to the financial statements for the year ended 31st March, 2025**

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

	Particulars	31 March 2025	31 March 2024
<b>24</b>	<b>Income tax</b>		
<b>A</b>	<b>Statement of profit and loss:</b>		
	<b>Current income tax:</b>		
	Current income tax charge	76.300	75.123
	Tax relating to earlier periods	0.812	1.635
	<b>Deferred tax:</b>		
	Relating to origination and reversal of temporary differences	(1.338)	(1.157)
	<b>Income tax expense reported in the statement of profit and loss</b>	<b>75.774</b>	<b>75.601</b>
<b>B</b>	<b>Statement of other comprehensive income:</b>		
	<b>Deferred tax:</b>		
	Remeasurements gains and losses on post employment benefits	-	-
	<b>Income tax expense reported in the statement of other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>C</b>	<b>Reconciliation of effective tax rate</b>		
	<b>Accounting profit before tax</b>	<b>289.163</b>	<b>306.751</b>
	<b>Tax using the Company's domestic tax rate 25.168% (31 March 2024: 25.168%)</b>	<b>72.777</b>	<b>77.203</b>
	Adjustments in respect of current income tax of previous years	0.812	1.635
	Adjustments in respect excess tax paid during the year		
	<b>Less: Tax effect of:</b>		
i	Tax rate difference on CSR expenditure	-	-
ii	Tax effect on Penalty expenditure	-	-
iii	Tax effect of reversal of Deferred Tax on adjustment to Opening Reserve in respect of IND AS 115	-	-
iv	Additional Allowances for tax purpose	(1.629)	-
	<b>Add: Tax effect of</b>		
i	Tax liability on IND AS adjustment to Retained earnings	1.041	
ii	Tax liability on permanent Difference 14A Disallowance	-	-
iii	Effect on deduction claimed in CSR Expenditure	1.264	-
iv	Effect on deduction claimed in MAT for Provision for Impairment of Investment	-	-
v	Gratuity Provision reduction considered in OCI	1.071	-
vi	Deferred Tax expenses accounted as no effect of Timing differences on MAT liability	-	(1.896)
vii	Expenses not allowed for tax purpose (including Exceptional Item)	0.438	(1.341)
	<b>Total</b>	<b>75.774</b>	<b>75.601</b>
	<b>Income tax expense reported in the statement of profit and loss</b>	<b>75.774</b>	<b>75.601</b>

**D Deferred tax**

	Deferred tax relates to the following:	Balance Sheet		Statement of profit and loss/ other comprehensive income & other equity	
		31 March 2025	31 March 2024	31 March 2025	31 March 2024
	<b>Deferred tax asset</b>				
	Provision for doubtful debts and advances	10.067	9.956	(0.111)	4.841
	Gratuity	8.325	7.299	(1.026)	(2.515)
	Leave encashment	5.620	4.693	(0.927)	(0.608)
	Bonus	2.491	2.496	0.005	(2.496)
	Lease Liability	15.765	7.135	(8.630)	0.389
	<b>Total</b>	<b>42.268</b>	<b>31.579</b>	<b>(10.689)</b>	<b>(0.389)</b>
	<b>Deferred tax liability</b>				
	Property, plant & equipment and intangible assets	(16.703)	(8.423)	8.280	(0.767)
	Amortisation of prepaid lease rentals / others				
	<b>Total</b>	<b>(16.703)</b>	<b>(8.423)</b>	<b>8.280</b>	<b>(0.767)</b>
	<b>Net deferred tax asset / (liability)</b>	<b>25.565</b>	<b>23.156</b>		
	<b>Deferred tax expense/(income)</b>			(2.409)	(1.157)
	- Recognised in the statement of profit and loss			(1.338)	(1.157)
	- Recognised in the statement of other comprehensive income			(1.071)	-
	- Recognised in retained earnings			-	-

**Praj HiPurity Systems Limited**  
**Notes to the financial statements for the year ended 31st March 2025**  
(Amounts in Indian Rupees million unless otherwise stated)

**Note 25: Earnings per share**

Particulars	31st Mar 2025	31st Mar 2024
<b>Reconciliation of basic and diluted shares used in computing earnings per share</b>		
Weighted average number of basic equity shares	50,00,000	50,00,000
Weighted average number of diluted equity shares	50,00,000	50,00,000
<b>Computation of basic and diluted earnings per share</b>		
Net profit after tax attributable to equity shareholders	213.389	231.150
Basic earnings per equity share of INR 10 each	42.678	46.230
Diluted earnings per equity share of INR 10 each	42.678	46.230

**Note 26: Contingent liabilities**

Particulars	31st Mar 2025	31st Mar 2024
<b>Contingent liabilities</b>		
Claim against the Company not acknowledge as debt		
Disputed demands in appeal towards Income Tax	2.894	2.894

**Note : 27 Disclosure pursuant to IND AS 115-Revenue from contracts with customers**

Particulars	31st Mar 2025	31st Mar 2024
Contract revenue recognised during the year (excluding taxes)	594.356	374.973
Aggregate amount of contract costs incurred and recognised profits (less recognised losses)	648.604	374.973
Customer advances outstanding for contracts in progress	2,793.685	474.172
Retention money due from customers for contracts in progress	94.211	70.160
Gross amount due from customers for contract work (presented as contracts in progress)	649.955	54.248
Gross amount due to customers for contract work (presented as dues to customers relating to contracts in progress)	(1.351)	-

**I) Revenue by Category of contracts:**

Particulars	31-03-2025	31-03-2024
Over a period of time basis	594.356	374.973
At a point-in-time basis	2,508.387	2,646.689
<b>Total revenue from contract with customers</b>	<b>3,102.743</b>	<b>3,021.662</b>

**II) Revenue by Geographical Market:**

Particulars	31-03-2025	31-03-2024
Within India	2,317.872	2,663.703
Outside India	784.871	357.959
<b>Total revenue from contract with customers</b>	<b>3,102.743</b>	<b>3,021.662</b>

**III) Transaction price allocated to the remaining performance obligations:**

Particulars	31-03-2025	31-03-2024
Remaining performance obligations	1,980.000	1,840.000

Note: The above information is given in respect of contracts under execution as on period end date

**IV) Contract Balances:**

Particulars	31-03-2025	31-03-2024
Trade receivables	797.916	870.782
Unbilled Revenue (Contract Asset)	649.955	54.248
Retention Money (Contract Asset)*	94.211	70.160
Unearned Revenue (Contract Liability)	1.351	-
Customer Advances (Contract Liability)	348.047	284.098

\* The amount is net off provision of Rs. 20.057 (PY Rs. 20.057)

Contract assets primarily relate to the Company's right 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 extinguish these liabilities and revenue will be recognised.

**Praj HiPurity Systems Limited**  
**Notes to the financial statements for the year ended 31st March 2025**  
*(Amounts in Indian Rupees million unless otherwise stated)*

**Note 28 :Segment reporting**

The business activities of the Company from which it earns revenue 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. engineering goods for pharmaceutical industries

**Note 29: 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 Far East (Philippines) Inc

Praj GenX Limited

Praj Projects (Tanzania) Limited

**b) Key management personnel and their close family members**

Chairman

CBO & Whole Time Director

Director

Director

Director

Independent Director

Independent Director

Independent Director

Independent Director

Independent Director

Dr. Pramod Madhukar Chaudhari

Mr. Mihir Mehta

Mr. Shishir Joshipura

Mr. Vikram Shrirang Pandit

Mr. Sachin Raole (from 28th Jan 2025)

Mr. Sandeep Rajnikant Mehta

Dr. Shridhar Bhalchandra Shukla

Ms. Rujuta Jagtap (From 22 July 2024)

Mr. Sivaramakrishnan Iyer (Up to 03 March 2025)

Ms. Mrunalini Joshi (Up to 10 August 2023)

**c) Other related parties**

Praj Foundation

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

Particulars	31st Mar 2025	31st Mar 2024
<b>Praj Industries Limited</b>		
Sale of products (without taxes)	1.703	83.754
Sale of services (without taxes)	21.562	16.298
Purchase of goods & services (without taxes)	7.748	1.840
Expenses incurred and reimbursed by holding company	6.227	5.574
ICD Interest	1.154	1.154
ICD received	70.000	70.000
ICD Paid	(70.000)	(70.000)
<b>Praj Foundation</b>	5.023	4.214
<b>Dividend Paid</b>	-	250.000
<b>Sitting Fees paid to Non Executive Director</b>		
Sandeep Mehta	0.400	0.350
Vikram Pandit	0.400	0.350
Sivaramakrishnan Iyer	0.600	-
<b>Director Remuneration</b>		
Mihir Mehta	9.481	8.092
<b>Praj Industries Limited</b>		
Payable	-	0.920
Advance	3.430	-

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.

**Praj HiPurity Systems Limited**  
**Notes to the financial statements for the year ended 31st March 2025**  
(Amounts in Indian Rupees million unless otherwise stated)

**Note 30: Leases**

The Company classifies the lease transactions as per the requirements of IND-AS 116 "Leases"

**Nature of Leasing activity:**

The Company has entered into lease arrangements for office and factory premises, office equipment, plant & machinery, vehicles, furniture & fixtures and

The disclosures relating to leases are as summarised below:

Particulars	31st Mar 2025	31st Mar 2024
Depreciation for right-of-use asset	20.852	13.645
Interest expense on lease liabilities	5.152	2.927
Expenses relating to short-term / low value leases	9.729	4.745
Total Cash outflow for leases	25.908	16.495
Carrying amount of right-of-use asset	58.994	24.742
Maturity analysis of lease liabilities:		
- less than 1 year	21.084	15.135
- 1 year to 3 years	28.785	10.716
- More than 3 years	12.770	2.498

**Changes in Lease Liabilities arising from financing activities**

Particulars	31st Mar 2025	31st Mar 2024
Opening lease liability	28.349	29.871
Net addition / (deletion) during the year	55.046	12.046
Finance Cost	5.152	2.927
Lease Payments	(25.908)	(16.495)
Closing lease liability	62.639	28.349
Non-current	41.555	13.214
Current	21.084	15.135

**Note 31: Employee benefits**

**a) Defined contribution plans**

The Company has recognised INR 6.043 MN (31 March 2024: INR 5.549 MN) towards post-employment defined contribution plans comprising of provident fund, Employee State Insurance Scheme, National Pension Scheme and Superannuation fund in the statement of profit and loss.

**b) Defined benefit plan**

In accordance with the Payment of Gratuity Act, 1972, the Company is required to provide post-employment benefit to its employees in the form of gratuity. The Company has maintained a fund with the Life Insurance Corporation of India to meet its gratuity obligations. In accordance with the Standard, the disclosures relating to the Company's gratuity plan are provided below:

The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	31st Mar 2025	31st Mar 2024
<b>Present value of obligation as at the beginning of the period</b>	<b>33.552</b>	<b>21.473</b>
Interest cost	2.364	1.546
Past service cost	-	-
Current service cost	3.297	2.209
Benefits paid	(1.424)	(1.725)
Remeasurements on obligation - (gain) / loss	4.062	10.049
<b>Present value of obligation as at the end of the period</b>	<b>41.851</b>	<b>33.552</b>

**Praj HiPurity Systems Limited****Notes to the financial statements for the year ended 31st March 2025***(Amounts in Indian Rupees million unless otherwise stated)***The changes in the fair value of planned assets representing reconciliation of opening and closing balances thereof are as follows:**

Particulars	31st Mar 2025	31st Mar 2024
<b>Fair value of plan assets at the beginning of the period</b>	<b>4.549</b>	<b>2.464</b>
Interest income	0.470	0.258
Contributions	3.948	1.939
Benefits paid	-	-
Mortality Charges and Taxes	(0.129)	(0.123)
Return on plan assets, excluding amount recognized in interest income - gain / (loss)	(0.066)	0.011
<b>Fair value of plan assets as at the end of the period</b>	<b>8.772</b>	<b>4.549</b>
Actual return on plan assets	0.404	0.268

**Amounts recognised in the balance sheet are as follows:**

Particulars	31st Mar 2025	31st Mar 2024
Present value of obligation as at the end of the period	41.851	33.552
Fair value of plan assets as at the end of the period	8.772	4.549
<b>Surplus / (deficit)</b>	<b>(33.079)</b>	<b>(29.003)</b>

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

Particulars	31st Mar 2025	31st Mar 2024
Current service cost	3.297	2.209
Net interest (income) / expense	1.895	1.288
<b>Net periodic benefit cost recognised in the statement of profit and loss at the end of the period</b>	<b>5.192</b>	<b>3.497</b>

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

Particulars	31st Mar 2025	31st Mar 2024
Remeasurement for the year - obligation (gain) / loss	4.190	10.049
Remeasurement for the year - plan assets (gain) / loss	0.066	(0.011)
<b>Total remeasurements cost / (credit ) for the year</b>	<b>4.256</b>	<b>10.038</b>

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

Particulars	31st Mar 2025	31st Mar 2024
Interest (income) / expense - obligation	2.364	1.546
Interest (income) / expense - plan assets	(0.470)	(0.258)
<b>Net interest (income) / expense for the year</b>	<b>1.894</b>	<b>1.288</b>

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

Particulars	31st Mar 2025	31st Mar 2024
Funds managed by insurer	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Praj HiPurity Systems Limited**  
**Notes to the financial statements for the year ended 31st March 2025**  
(Amounts in Indian Rupees million unless otherwise stated)

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

Particulars	31st Mar 2025	31st Mar 2024
Discount rate	6.70%	7.20%
Rate of increase in compensation levels	8%	7%
Expected rate of return on plan assets	7.20%	7.50%
Expected average remaining working lives of employees (in years)	7.76*	7.92*
Withdrawal rate		
Age upto 30 years	9%	9%
Age 31 - 40 years	9%	9%
Age 41 - 50 years	9%	9%
Age above 50 years	9%	9%

\* 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 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	
	31st Mar 2025	31st Mar 2024
5.70%	44.850	35.946
7.70%	39.169	31.410

**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 2025	31st Mar 2024
7.00%	39.839	31.919
9.00%	44.021	35.302

**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 2025	31st Mar 2024
8.00%	41.912	33.430
10.00%	41.796	33.664

**Expected contributions for the next year**

The Company has contributed Rs. 3.948 (31st March 2024 : 1.939) to its gratuity fund in 2025. The Company has informed me that it intends to contribute Rs. 33.100 towards its gratuity fund in 2026.

**Average duration**

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal rate and interest rate) is 8.37 years (31 March 2024: 8.29 years).

**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.

**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-**

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.

**2) 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.

**a) Other long-term employee benefits**

Provision for Compensated absences:

Provision for Compensated absences cover the Company's liability for earned leave which are classified as other long-term benefits.

Particulars	31st Mar 2025	31st Mar 2024
Present value of obligation as at the beginning of the period	20.121	16.231
Interest cost	1.308	1.217
Current service cost	2.919	2.673
Benefits paid	(0.963)	0.000
Remeasurements on obligation - (gain) / loss	0.419	(1.474)
<b>Present value of obligation as at the end of the period</b>	<b>24.767</b>	<b>20.121</b>

**PRAJ HIPURITY SYSTEMS LIMITED****Notes to the financial statements for the year ended 31st March 2025**

(Amounts in Indian Rupees million unless otherwise stated)

**Note 32: Corporate social responsibility**

During the year, the Company has incurred CSR expenses of INR 5.023 (2024: INR 4.214) included in other expense Note No.22 as follows:

Particulars	Amounts paid in FY 2024-25	Amounts paid in FY 2023-24
Construction/acquisition of asset	Nil	Nil
On other purposes covered under Schedule VII to Companies Act, 2013	5.023	4.214

Particulars	As at	
	31 March 2025	31 March 2024
(i) Amount required to be spent by the company during the year	5.023	4.029
(ii) Amount of expenditure spent	5.023	4.214
a) Construction/acquisition of new asset	-	-
b) On purpose other than (a) above	5.023	4.214
(iii) Shortfall/(Excess) at the end of the year	-	(0.185)
(iv) Total of previous years shortfall/(Excess)	-	-
(v) Cash outflow related to Corporate Social Responsibility (CSR) activities	5.023	4.214
<b>Details of Amount Spent</b>		
(v) Reason for shortfall	NA	
(vi) Nature of CSR activities	1. Help a Mother and Save A Baby Project (HAMSAB) (Promoting health care) 2. Value Education for School Children around PHS Wada. 3. Rainwater harvesting at 3 Pada 4. Promoting native paddy varieties cultivation (Seeds for Life) among tribal farmers in Vikramgad Taluka, Palghar 5. Support towards installation of water tank in Kakadpada, 6. Facilitate education through books & aids 7. Support to DBRT students for starting enterprise	
(vii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	NA	
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	NA	

# PRAJ HIPURITY SYSTEMS LIMITED

## Notes to the financial statements for the year ended 31st March 2025

(Amounts in Indian Rupees million unless otherwise stated)

### Note 33: Fair value measurements

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	
	31st March 2025	31st March 2024
<b>A. Financial asset</b>		
<b>i. Measured at amortised cost</b>		
Security deposits	12.962	8.995
Interest on Deposits	0.050	0.050
Trade receivables *	797.916	870.782
Cash and cash equivalent *	105.078	181.648
Other Receivable	0.023	1.642
Other Bank balance	0.051	0.049
<b>B. Financial liability</b>		
<b>i. Measured at amortised cost</b>		
Trade payables *	772.706	686.481
Lease Liability	62.639	28.349
Other financial liabilities	30.777	53.362

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.

#### 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 2025:

Particulars	Fair value measurement using			Valuation technique used	Inputs used
	Level 1	Level 2	Level 3		
<b>a) Financial assets measured at fair value</b>					
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>b) Assets for which fair values are disclosed</b>					
<b>Financial assets measured at amortised cost</b>					
Security deposits		-		Discounted cash flows	Forecast cash flows, discount rate, maturity date etc.
<b>c) Financial liability measured at amortised cost</b>					
Borrowings		-		Discounted cash flows	Forecast cash flows, discount rate, maturity date etc.
Other financial liabilities		-			



**PRAJ HIPURITY SYSTEMS LIMITED**  
**Notes to the financial statements for the year ended 31st March 2025**  
(Amounts in Indian Rupees million unless otherwise stated)

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2024:

Particulars	Fair value measurement using			Valuation technique	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		8.995		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		-			

During the year ended 31 March 2025 & 31 March 2024 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

## PRAJ HIPURITY SYSTEMS LIMITED

### Notes to the financial statements for the year ended 31st March 2025

(Amounts in Indian Rupees million unless otherwise stated)

#### Note 34: Financial risk management policy and objectives

The Company's principal financial liabilities, comprise lease liabilities, 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 investments, trade and other receivables, security deposits and cash and cash equivalents, that it derives 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, corporate guarantees issued to group companies	Aging analysis, external credit rating (wherever available)	Diversification of bank deposits, credit limits and letter of credit
Liquidity risk	Lease and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines
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 management handles the risk management based on policies approved by the Board of Directors. Company's treasury identifies, evaluates and hedges financial risks in close co-operation 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, trade receivables, financial assets measured at amortised cost, corporate guarantees issued to group companies, 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 initial 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,
- (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 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 etc.

The Company uses simplified approach for estimating the lifetime expected loss provision. The Company provides expected loss based on the overdue number of days for receivables as per the provision matrix as decided by the management which is based on the historical experience of recoverability. Where 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 2025	31 March 2024
Trade receivables	817.859	890.282
Less : Allowance for expected credit loss	19.943	19.500
	<b>797.915</b>	<b>870.782</b>

Trade receivables	31 March 2025	31 March 2024
Neither past due nor impaired	111.669	410.790
Less than 180 days	589.239	425.862
181 - 365 days	81.245	22.799
More than 365 days	35.707	30.830
<b>Gross trade receivables</b>	<b>817.860</b>	<b>890.282</b>
Less: Allowance for expected credit loss	(19.943)	(19.500)
<b>Total</b>	<b>797.916</b>	<b>870.782</b>

## PRAJ HIPURITY SYSTEMS LIMITED

### Notes to the financial statements for the year ended 31st March 2025

(Amounts in Indian Rupees million unless otherwise stated)

Reconciliation of allowance for expected credit loss on trade receivables and contract	FY 2024-25	FY 2023-24
Opening loss allowance	39.557	58.792
Bad debts written off	(0.139)	(20.471)
Additional allowance	0.582	1.236
<b>Closing loss allowance</b>	<b>40.000</b>	<b>39.557</b>

#### b) Liquidity risk

The company follows a prudent approach to liquidity risk management by ensuring it has sufficient cash and access to committed credit facilities to meet its financial obligations as they fall due and to manage market positions effectively. Given the dynamic nature of its operations, the company maintains funding flexibility through available committed credit lines.

Management regularly monitors the company's liquidity position using rolling cash flow forecasts, which include cash and cash equivalents and undrawn borrowing facilities. This monitoring is aligned with internal policies and limits. The Company's liquidity management also includes:

- Forecasting future cash flows,
- Assessing the required level of liquid assets,
- Monitoring liquidity ratios in line with internal benchmarks and regulatory requirements, and
- Maintaining appropriate debt financing strategies.

Exposure to risk	31 March 2025	31 March 2024
<b>Other financial liabilities</b>		
On demand	-	-
Less than 365 days	51.161	67.998
More than 365 days	42.255	13.714
<b>Total</b>	<b>93.416</b>	<b>81.711</b>
<b>Trade payables</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
Not Due	687.592	556.305
Less than 365 days	85.073	130.175
More than 365 days	0.041	-
<b>Total</b>	<b>772.706</b>	<b>686.481</b>

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

	31 March 2025	31 March 2024
Expiring within one year	700.00	700.00
Expiring beyond one year	-	-

#### c) 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.

#### Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR, GBP, SGD, AED, DZD, JOD, EGP & MYR exchange rates, with all other variables held constant.

Particulars	Currency	Amount in foreign currency		Amount in INR	
		31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24
<b>Financial assets</b>					
Trade receivables	EUR	0.453	0.002	41.732	0.213
	USD	3.389	2.163	287.196	177.265
Cash	EUR	-	0.002	-	0.162
	USD	0.001	0.004	0.093	0.303
	SGD	0.000	0.000	0.000	0.000
	AED	0.000	0.000	0.009	0.008
	DZD	0.003	0.003	0.002	0.002
	JOD	0.000	0.000	0.036	0.035
	EGP	0.001	0.001	0.001	0.001
	MYR	0.000	-	0.001	-
<b>Financial liabilities</b>					
Trade payables	EUR	0.109	0.273	9.814	24.676
	USD	0.196	0.590	16.903	49.391

**PRAJ HIPURITY SYSTEMS LIMITED**

**Notes to the financial statements for the year ended 31st March 2025**

(Amounts in Indian Rupees million unless otherwise stated)

**Currency wise net exposure (Assets - Liabilities)**

Particulars	Amount in foreign currency		Amount in INR	
	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24
EUR	0.344	(0.269)	31.919	(24.302)
USD	3.194	1.576	270.387	128.176
SGD	0.000	0.000	0.000	0.000
AED	0.000	0.000	0.009	0.008
DZD	0.003	0.003	0.002	0.002
JOD	0.000	0.000	0.036	0.035
EGP	0.001	0.001	0.001	0.001
MYR	0.000	-	0.001	-

**Sensitivity analysis**

Currency	Amount in INR		Sensitivity %	Impact on Profit Before Tax	
	31-Mar-25	31-Mar-24		31-Mar-25	31-Mar-24
EUR	31.919	(24.302)	+5%	31.969	(1.215)
			-5%	(1.596)	1.215
USD	270.387	128.176	+5%	270.437	6.409
			-5%	(13.519)	(6.409)
GBP	-	-	+5%	0.050	-
			-5%	-	-
SGD	0.000	0.000	+5%	0.050	0.000
			-5%	(0.000)	(0.000)
AED	0.009	0.008	+5%	0.059	0.000
			-5%	(0.000)	(0.000)
DZD	0.002	0.002	+5%	0.052	0.000
			-5%	(0.000)	(0.000)
JOD	0.036	0.035	+5%	0.086	0.002
			-5%	(0.002)	(0.002)
EGP	0.001	0.001	+5%	0.051	0.000
			-5%	(0.000)	(0.000)
MYR	0.001	-	+5%	0.051	-
			-5%	(0.000)	-

**PRAJ HIPURITY SYSTEMS LIMITED**
**Notes to the financial statements for the year ended 31st March 2025**

(Amounts in Indian Rupees million unless otherwise stated)

**Note 35: Ageing schedule for Trade Receivables, Trade Payables and Capital Work-in-progress**
**A) The table below provides details regarding Trade receivables ageing schedule**

Particulars	31st March, 2025						
	Unbilled dues/Not due	Outstanding for following periods from due date of payment					
		Less than 6 Month	6 months -1 Year	1-2 Years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	111.669	589.239	78.752	16.380	0.765	1.112	797.916
(ii) Undisputed Trade Receivables – credit impaired	-	-	2.493	2.781	0.773	13.896	19.943
(iii) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Gross trade receivable</b>	<b>111.669</b>	<b>589.239</b>	<b>81.245</b>	<b>19.161</b>	<b>1.539</b>	<b>15.007</b>	<b>817.860</b>
Less : Impairment Allowance							(19.943)
<b>Total</b>							<b>797.916</b>

  

Particulars	31st March, 2024						
	Unbilled dues/Not due	Outstanding for following periods from due date of payment					
		Less than 6 Month	6 months -1 Year	1-2 Years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	410.790	425.862	20.768	12.267	1.094	-	870.782
(ii) Undisputed Trade Receivables – credit impaired	-	-	2.031	2.117	1.003	14.349	19.500
(iii) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Gross trade receivable</b>	<b>410.790</b>	<b>425.862</b>	<b>22.799</b>	<b>14.384</b>	<b>2.097</b>	<b>14.349</b>	<b>890.282</b>
Less : Impairment Allowance							(19.500)
<b>Total</b>							<b>870.782</b>

**B) The table below provides details regarding Trade payable ageing schedule**

Particulars	31st March, 2025					
	Unbilled Dues /Not Due	Outstanding for following period from due date of payment				Total
		Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
(i)Micro and small Enterprises-Undisputed	235.331	-	-	-	-	235.331
(ii)Other-Undisputed	452.261	85.073	0.022	0.019	-	537.375
<b>Total</b>	<b>687.592</b>	<b>85.073</b>	<b>0.022</b>	<b>0.019</b>	<b>-</b>	<b>772.706</b>

  

Particulars	31st March, 2024					
	Unbilled Dues /Not Due	Outstanding for following period from due date of payment				Total
		Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
(i)Micro and small Enterprises-Undisputed	144.303	2.352	-	-	-	146.655
(ii)Other-Undisputed	412.003	127.823	-	-	-	539.826
<b>Total</b>	<b>556.305</b>	<b>130.175</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>686.481</b>

**C) The table below provides details regarding Capital Work-in-progress (CWIP)**

Particulars	31st March, 2025				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Capital work in progress	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

  

Particulars	31st March, 2024				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Capital work in progress	0.678	5.169	-	-	5.847
<b>Total</b>	<b>0.678</b>	<b>5.169</b>	<b>-</b>	<b>-</b>	<b>5.847</b>

**PRAJ HIPURITY SYSTEMS LIMITED**
**Notes to the financial statements for the year ended 31st March 2025**

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**Note 36 : Analytical Ratios**

Sr. No.	Ratio	Numerator	Denominator	31 March 2025	31 March 2024	% Variance	Reason for Variance
1	Current ratio	Current assets	Current liabilities	1.69	1.59	6.66%	N.A.
2	Debt-equity ratio	Debt	Net worth	NA	NA		N.A.
3	Debt service coverage ratio	Profit before exceptional items, tax and finance cost	Interest & Lease Payments + Principal Repayments	13.01	21.18	(0.386)	Due to Capex Structure strategy implementation of Asset light model resulting into to increased Interest & Lease payment
						(0.182)	
4	Return on equity ratio	Profit after tax	Average Shareholder's Equity	22.93%	28.01%		N.A.
5	Inventory turnover ratio	Sales	Average Inventory	8.32	7.08	17.38%	N.A.
6	Trade receivables turnover ratio	Sales (billed to customer)	Average Accounts Receivable	3.73	3.83	(0.025)	N.A.
7	Trade payables turnover ratio	Cost of goods sold	Average Trade Payables	3.41	2.74	24.62%	N.A.
8	Net capital turnover ratio	Sales	Average Working capital	4.20	4.75	(0.117)	
9	Net profit ratio	Profit After Tax	Sales	6.88%	7.65%	(0.101)	N.A.
10	Return on capital employed	Earning Before Interest & Tax	Capital Employed	29.07%	38.19%	(0.239)	N.A.
ii.	Bonds						
iii.	Fixed Deposits	Income from Investments	Investment	0.84%	4.43%	(0.812)	There is favourable change in ratio due to decrease in interest received on Fixed Deposits

## **PRAJ HIPURITY SYSTEMS LIMITED**

### **Notes to the financial statements for the year ended 31st March 2025**

(Amounts in Indian Rupees million unless otherwise stated)

#### **Note 37 - Other Notes**

##### **i) Title deeds of immovable property not held in the name of the company**

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee), as disclosed in note 1 to the financial statements, are held in the name of the company

##### **ii) Details of Benami Property**

The Company does not own any benami property neither any proceedings are initiated or pending against the Company under the Prohibition of Benami Property Transactions Act, 1988.

##### **iii) Borrowings secured against current assets**

Though the Company have fund based borrowings from banks or financial institutions on the basis of security of current assets, it has filed quarterly returns or statements of current assets with banks or financial institutions and the same are in agreement with the books of account read with notes given in the quarterly returns or statements.

##### **iv) Wilful Defaulter**

The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.

##### **v) Relationship with Struck off Companies**

As per the information available with the Company, the Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

##### **vi) Utilisation of Borrowed funds and share premium**

a) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or nay other sources or kind of funds) to any other persons or entoties, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b) The Company has not received funds from any other persons or entoties, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

##### **vii) Loans or advances to specified persons**

The Company has not granted loans or advances in the nature of loans to promoters, directors, KMPs and other the related parties either severally or jointly with any other person, that are:

- (i) repayable on demand or
- (ii) without specifying any terms or period of repayment.

##### **viii) Details of Crypto-Currency or Virtual Currency**

The Company has not traded or invested in Crypto-Currency or Virtual Currency during the financial year.

##### **ix) Valuation of PP&E, right-of-use assets, intangible asset and investment property**

The company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

##### **x) Utilisation of borrowings availed from banks and financial institutions**

The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.

##### **xi) Compliance with number of layers of companies**

The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

##### **xii) Undisclosed Income:**

There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

##### **xiii) Registration/satisfaction of charges with Registrar :**

There are no charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period in the current as well as in the previous year.

##### **xiv) Compliance with approved scheme(s) of Arrangements:**

The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

**PRAJ HIPURITY SYSTEMS LIMITED****Notes to the financial statements for the year ended 31st March 2025**

(Amounts in Indian Rupees million unless otherwise stated)

**Note 38: 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-25	31-Mar-24
Trade payables	772.706	686.481
Other financial liabilities	30.077	52.862
Less: Cash and cash equivalents	105.078	181.648
<b>Net debt</b>	<b>697.705</b>	<b>557.695</b>
Equity	1,035.910	825.706
<b>Capital and net debt</b>	<b>1,733.615</b>	<b>1,383.401</b>
Gearing ratio	40%	40%

**Note 39- Audit Trail**

As per the Ministry of Corporate Affairs (MCA) notification, provision to Rule 3(1) of the Companies (Accounts) Rules, 2014, for the financial year commencing April 1, 2024, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The interpretation and guidance on what level edit log and audit trail needs to be maintained evolved during the year and continues to evolve.

In the Company, the audit trail is enabled at an application level for all the tables and fields for maintenance of books of accounts and relevant transactions. However, the global standard ERP used by the Company has not been enabled with the feature of audit trail log at the database layer to log direct transactional changes, due to present design of ERP.

**Note 40- Regrouping**

Previous year figures have been regrouped, re-arranged and re-classified wherever necessary to conform with current year's classification

As per our report of even date attached

**For P G BHAGWAT LLP**

**Chartered Accountants**

FRN: 101118W/ W100682

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

SD/-

**Abhijit Shetye**

(Partner)

M. No. 151638

Place : Pune

Date : 25th April, 2025

SD/-

**Dr. Pramod Chaudhari**

(Chairman)

DIN: 00196415

SD/-

**Mihir Mehta**

(CBO & Whole time Director)

DIN: 09736913

SD/-

**Shishir Joshipura**

(Director)

DIN: 00574970

SD/-

**Anant Bayare**

(Comapany Secretary)

M. No.21405