



**Date: 2<sup>nd</sup> July, 2024**

**Ref.: PIL/ANB/L-040/2024-25**

<b>Company Code – PRAJIND</b>	<b>Security Code No.: 522205</b>
<b>National Stock Exchange of India Ltd.</b>	<b>BSE Ltd.</b>
Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051	Phiroze Jeejeebhoy Towers, 25 <sup>th</sup> Floor, Dalal Street, Mumbai - 400 001
Fax: 022 – 2659 8237 / 38	Fax:022- 22723121/3719/2037/2039/2041/2061

Dear Sir/Madam,

**Sub.: Submission of Annual Report of the Company for the financial year 2023-24**

Pursuant to the provisions of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are attaching the copy of Annual Report of the Company for the financial year 2023-24 including Notice of 38<sup>th</sup> Annual General Meeting (AGM) of the Company which is sent to the Members through electronic means as per the circulars from Ministry of Corporate Affairs and the Securities and Exchange Board of India.

Important details with regard to AGM are as under:

<b>Sr. No.</b>	<b>Particulars</b>	<b>Details</b>
1.	AGM details	<b>Thursday, 25<sup>th</sup> July, 2024 at 10:00 a.m. through Video Conferencing/Other Audio Video Visual Means</b>
2.	Cut-off date to determine list of members entitled to receive Notice of AGM and Annual Report	Friday, 28 <sup>th</sup> June, 2024
3.	Cut-off date to determine list of members entitled to receive final dividend	Thursday, 18 <sup>th</sup> July, 2024
4.	Dividend Payment Date	By 23 <sup>rd</sup> August, 2024
5.	Cut-off date to determine list of members entitled for e-voting	Thursday, 18 <sup>th</sup> July, 2024
6.	Remote e-voting start time, day and date	9:00 a.m. (IST), Monday, the 22 <sup>nd</sup> July, 2024
7.	Remote e-voting end time, day and date	5:00 p.m. (IST), Wednesday, the 24 <sup>th</sup> July, 2024

**Praj Industries Limited**

**Regd. Office:** 'Praj Tower', 274 & 275/2, Bhumkar Chowk, Hinjewadi Road, Hinjewadi, Pune 411057. Ph.: +91-20-71802000 / 22941000  
f: +91-20-22941299 e: info@praj.net w: www.praj.net

CIN: L27101PN1985PLC038031



The link to view the Notice of AGM and Annual Report is as under:

<https://www.praj.net/wp-content/uploads/2024/07/praj-annual-report-2023-24.pdf>

Thanking you.

Yours faithfully,

**FOR PRAJ INDUSTRIES LIMITED**

**ANANT BAVARE  
COMPANY SECRETARY &  
COMPLIANCE OFFICER  
(M. NO. 21405)**

**Encl.:** as above



# BUILDING A BIO-BASED FUTURE

1\*



ANNUAL REPORT 2023-24

\*Global No. 1 in Advanced Bioeconomy by World's Most Widely-read Biofuels Daily

With a vision to make the world a better place using its sustainable and innovative solutions, your company marked its Ruby Anniversary, celebrating 40 years of purpose, passion, and perfection.

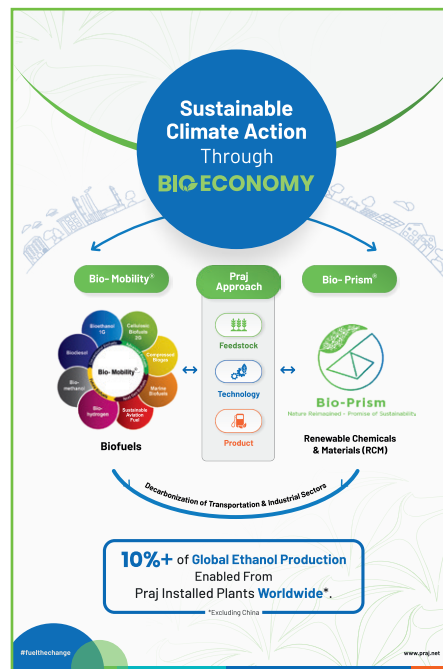


*Celebrating 40 years of Purpose, Passion and Perfection*



Your company has been Ranked Global No. 1 in the 'Hottest Top 50 Companies in Advanced Bioeconomy' released by the US based Biofuels Digest making Praj the first Asian and Indian company to bag this honour. From Global Rank #34 in 2018 to Global Rank #8 in 2019 and finally achieving the Global Rank #1 in 2024.

Bioeconomy is a knowledge economy that uses renewable natural resources to produce food, energy, products, and services. Bioeconomy utilizes biological resources to decarbonize mobility and facilitates carbon recycling with no or minimal addition of new carbon in the atmosphere.







**Utkarsh Palnitkar**  
Independent Director



**Dr. Shridhar Shukla**  
Independent Director



**Shishir Joshipura**  
CEO & Managing Director



**Dr. Pramod Chaudhari**  
Executive Chairman



**Parimal Chaudhari**  
Non-Executive Director



**Rujuta Jagtap**  
Independent Director



**Vinayak Deshpande**  
Independent Director



**Suhas Baxi**  
Independent Director



**Sachin Raole**  
CFO & Director - Resources

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## Company Profile



### Executive Directors

Dr. Pramod Chaudhari, Executive Chairman  
Shishir Joshipura, CEO and Managing Director  
Sachin Raole, CFO and Director – Resources

### Non-Executive Directors

Vinayak Deshpande  
Utkarsh Palnitkar  
Parimal Chaudhari  
Dr. Shridhar Shukla  
Sahas Baxi  
Rujuta Jagtap

### Company Secretary

Anant Bavare

### Statutory Auditors

P G BHAGWAT LLP

### Cost Auditors

Dhananjay V. Joshi & Associates

### Internal Auditors

Khare Deshmukh & Co.

### Secretarial Auditors

KANJ & Co. LLP

### Bankers

Bank of Maharashtra  
The Hong Kong and Shanghai Banking Corporation Limited  
ICICI Bank Limited  
Citibank N.A.  
Standard Chartered Bank

### Registered Office

"Praj Tower", S. No. 274 & 275/2, Bhumkar Chowk- Hinjewadi  
Road, Hinjewadi, Pune 411 057, Maharashtra, India

### R & D Unit I

Praj Matrix – The Innovation Center  
Gat No. 402, 403, 1098, Village Urwade, Tal. Mulshi,  
Pune- 412 108, Maharashtra, India

### R & D Unit II

Shreenathnagar, Patethan, P.O. Rahu, Tal. Daund,  
Dist. Pune 412 207, Maharashtra, India

### R & D Unit III

Plot No. E-20 & E-21 additional MIDC Area, Jejuri  
Tal. Purandar, Pune – 412 303, Maharashtra, India

### Manufacturing Facilities

S.No.748, Gat No. 745, Sanaswadi, Pune 412 208, Maharashtra, India  
Gat No. 402, 403, 1098, Village Urwade, Tal. Mulshi,  
Pune 412 108, Maharashtra, India

### Export Oriented Unit

Kandla SEZ Unit I, Plot No. 307 to 314  
Kandla SEZ Unit II, Plot No. 282 to 286 and 294 to 298,  
Kandla SEZ Unit III, Warehouse No. 1 to 3, Himalaya Complex,  
Phase I, Sector IV, Gandhidham, Kutch, 370 230, Gujarat, India

### Presence in

India, Thailand, USA and Philippines

## Chairman's Message



Dear Shareholders,

I am privileged to present the 38<sup>th</sup> Annual Report of your Company for FY 2023-24. Amid geopolitical uncertainties mounting worldwide owing to prolonged war in Europe and West Asia, India has showcased a resilient economy with robust domestic demand. India has surpassed the UK and France to become the fifth-largest economy in the world and analysts predict that it will overtake Japan and Germany to reach the third spot by 2027. India's economy draws strength from diverse sectors including IT, Manufacturing & Engineering, Pharmaceuticals, and Bioenergy. Your company has been able to leverage tailwinds in the domestic as well as the global market to record strong financial performance.

Today, the world is experiencing climate adversities all around the world. The Global Risks Report 2024 released by the World Economic Forum (WEF) grades 'Extreme Weather' as the top-most global risk in terms of severity over the next two years. Heatwaves, floods, droughts, wildfires, and rapidly intensifying tropical cyclones are upending everyday life for millions and inflicting billions of dollars in economic losses. The State of the Global Climate 2023 report, released by the World Meteorological Organization (WMO) confirmed that 2023 was the warmest year on record, with the global average near-surface temperature at 1.45 °C above the pre-industrial baseline. The report also states that Ocean heat content and sea level have reached record highs owing to continuously rising concentrations of greenhouse gases.

According to the WMO Report, Renewable energy generation surged in 2023, with renewable capacity additions increasing by almost 50% from the previous year. This indicates the potential for achieving decarbonization targets and transitioning to clean energy sources to mitigate climate change.

At the COP28 Climate Action Summit hosted in Dubai, UAE urged countries to actively participate in global initiatives to decrease carbon emissions. All the countries participating pledged to transitioning away from fossil fuels in energy systems, to achieve net zero by 2050. Tripling renewable energy capacity and doubling energy efficiency by 2030 was the collective consensus at the summit.

The announcement of the Global Biofuels Alliance (GBA) is seen as one of the G20 Summit's significant outcomes under India's leadership. GBA's declared goals are to increase global cooperation for the rapid adoption and deployment of biofuels. This will create additional opportunities for your company in the Energy Transition and Climate Action (ETCA) space.

I am pleased to share some noteworthy achievements of your Company during FY 2023-24. Your company has been Ranked Global No. 1 in the 'Hottest Top 50 Companies in Advanced Bioeconomy' released by the US based Biofuels Digest making Praj the first Asian and Indian company to bag this honour. The Raisina Dialogue 2024, India's premier conference on geopolitics and geoeconomics, invited Praj Industries to address the most challenging issues facing the global community. During this renowned event, Praj demonstrated thought leadership on the relevance of biofuels in sustainable development, emphasizing the GBA as a possible game changer to achieve the goal of net zero.

Bioeconomy has emerged as a promising pathway for sustainable climate action. Your Company is in the business of developing and deploying technology-embedded solutions that help conserve the environment through decarbonization and carbon recycling. BioMobility® and Bio-Prism® are two mainstays of Bioeconomy. BioMobility® is a technology platform for producing low carbon biofuel solutions and Bio-Prism® is a technology portfolio for the production of renewable chemicals and materials.

Let me share some of the major achievements in Bioeconomy as a sustainable growth driver this year. Your company has developed a first-of-its-kind Alcohol to Jet (ATJ) based SAF demonstration facility and Catalytic Laboratory at the R&D Center in Pune which was inaugurated by Hon. Union Minister Shri. Hardeep Singh Puri on 20<sup>th</sup> January 2024. The Catalytic facility is an important element in combining bioprocesses with catalysis which opens a new path for using fermentation-based products and molecules to develop its derivatives. This Multipurpose Catalytic Lab will help expedite our research technologies for the production of SAF, bio-butadiene, and biohydrogen. Your company has set up a first-of-kind demonstration facility at Jejuri, on the outskirts of Pune, to accelerate the commercialization of bioplastics. The first technology that will get scaled up at this facility is Food Grade Lactic Acid and Polylactic Acid. To cater to the Energy Transition and Climate Action business we have set up a cutting-edge Industry 5.0 Mega Manufacturing facility in Mangalore, Karnataka.

Praj Matrix R&D Centre with over 400 international and domestic patent filings continues to pursue innovative technology solutions. Our scientists and technologists are exploring exciting opportunities in energy transition including Bio Hydrogen.

We strongly believe in giving back to society, not as a duty, but as an obligation for the greater good. As part of its social commitments, Praj has undertaken a project to create a model Net Zero and Climate Resilient village at Mandede in Mulshi taluka near Pune. Following the early actions of raising awareness among important stakeholders and scientific documentation, we have completed clean cookstove installation, waste management across the village, pilot Eco-STP for liquid waste management, water budgeting and harvesting. We are steadily advancing towards resilient agriculture practices and clean energy applications in the village.

I would like to reiterate that your Company is resilient to the geopolitical realities while maintaining focused on delivering value for all our stakeholders. Biofuels are at a tipping point, and I have no doubt that it is a concept whose time has just arrived. Your company is in a prime position to capitalize on emerging prospects and launch itself onto a new growth trajectory.

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

Dr. Pramod Chaudhari  
Executive Chairman  
July 2024, Pune

## CEO & MD's Note



Dear Shareholders,

I am delighted to present the Annual Report of your company for FY 23-24. It has been an exciting year for your company, marking its Ruby Anniversary of 40 years of purpose, passion, and perfection. The R&D center also celebrated 15 years of providing sustainable and innovative solutions. This year saw many firsts: first mega manufacturing facility in Mangalore commencing operations in nine months, first grain-based ethanol plant in Brazil, first modularized solutions for a Blue Hydrogen project in Europe, first contract for an ENA plant from a French conglomerate, first modularized ZLD plant, and the first commercial-scale CBG plant.

Environmental concerns have driven a global shift towards cleaner energy, opening new opportunities for your company. The Global Biofuels Alliance (GBA), launched during India's G20 presidency, is expected to accelerate biofuels adoption, including in the global south. The government's focus on sustainable development, including bio-manufacturing, supports the growth of the bioeconomy. This comes as a fillip for your company's technology-embedded solutions to produce renewable chemicals and materials.

Global markets faced volatility due to geopolitical shifts, and domestically, a realignment of feedstock policy led to a drop in orders from the sugar segment. However, innovation pipeline at Praj Matrix R&D center, with multi-feedstock process technologies and innovative engineering solutions, helped address these challenges. Your company's performance this year reflects business development across our portfolio, enhancing our ability to deliver and capture value for a diverse customer base. Your company is on a path to transform the business with focus on emerging segments like CBG and ETCA and expanding our international business share. Your company is also gearing up for growth in the SAF space. Over the last year, your company has also been able to enhance the share of our capture of this value. This coupled with moderating commodity prices and changing product and geographical mix, has resulted in improved margins.

In the Bioenergy sector, multi-feed, multi-product solutions gained momentum, with starch-based ethanol projects making up over 90% of domestic orders. Your company successfully commissioned commercial-scale CBG plants based on press mud and rice straw, using the proven RenGas® technology. In Brazil, known as the sugar and ethanol capital, your company commissioned the first grain-based ethanol project and secured another order for a grain-based plant in South Brazil. Your company's technology solutions have garnered increasing interest from international customers. Your company received a Green Field ENA plant order from a French group for a project in Ivory Coast, Africa, and has been chosen as a technology partner for a large Blue Hydrogen project in Europe. Your company's concerted efforts to grow its share of the export market have resulted in a Y-o-Y growth of 62% in the international order book.

In the PHS business, we built a sustainable order book for FY23-24, receiving our first international order for high-capacity fermenters and completing an order for a water system for a lithium-ion battery project. Your company also completed process solutions for three advanced blood plasma projects. The evolving semiconductor space in India offers new opportunities for ultra-high purity water solutions, which augurs well for your company.

Leveraging our modularization expertise, your company delivered the first modularized ZLD plant and are progressing with multiple customer inquiries for managing complex industrial effluents.

Your company launched the 'Sustainable Procurement' initiative to minimize water, energy, and carbon footprints across our supply chain. Currently, 53% of our supply chain is covered, involving 165 suppliers, 58 from the MSME sector. Your company's Remote Process Monitoring and Support Services (RPMS) enhances process efficiency and plant yields through automation and digitalization services.

Your company offers exciting career growth prospects to young engineers and scientists in the fast-evolving bioenergy and ETCA sectors. Your Company is committed to fostering diversity and inclusion within our growing employee base from diverse educational backgrounds, genders, and nationalities.

I am delighted to share that our Chairman, Dr. Pramod Chaudhari, was conferred the coveted Fellowship from the Indian National Academy of Engineering (INAE) in 2023.

I am grateful for the guidance and directions from our board members and express sincere gratitude to our customers, business partners, government, NGOs, media, and colleagues for their unwavering support.

We are committed to building a sustainable future and continuing Praj's journey as a global leader in the bioeconomy.

Shishir Joshipura  
CEO & MD  
July 2024, Pune





# Achievements



Dr. Pramod Chaudhari conferred Prestigious Fellowship from Indian National Academy of Engineering (INAE) 2023



Praj honoured with a prestigious award in the field of sustainability and innovation by the esteemed ELSC Leadership Award



PRAJ won the BEST SUPPLIER AWARD in the LEAD category by Baker Hughes





## Praj at Glance (Consolidated)

	UOM	23-24	22-23	21-22	20-21	19-20
SALES	Rs. Min	34662.784	35280.378	23432.744	13046.687	11023.657
OTHER INCOME	Rs. Min	434.986	356.008	241.242	257.364	300.214
TOTAL INCOME	Rs. Min	35097.770	35636.386	23673.986	13304.051	11323.871
TOTAL EXPENDITURE EXCLUDING DEPRECIATION	Rs. Min	30882.603	32146.666	21399.302	11951.787	10274.064
EBIDTA (EXCLUDING OTHER INCOME)	Rs. Min	3878.064	3180.001	2058.494	1190.781	820.070
DEPRECIATION	Rs. Min	440.559	302.471	225.912	221.218	218.461
PROFIT BEFORE TAX	Rs. Min	3774.608	3187.249	2048.773	1131.046	831.346
PAT BEFORE MINORITY INTEREST	Rs. Min	2833.909	2398.182	1502.421	810.587	704.363
PAT AFTER MINORITY INTEREST	Rs. Min	2833.560	2397.941	1502.395	810.469	704.309
OTHER COMPREHENSIVE INCOME	Rs. Min	(49.961)	(16.331)	(22.437)	11.041	(3.294)
TOTAL COMPREHENSIVE INCOME	Rs. Min	2783.948	2381.851	1479.984	821.628	701.069
NET BLOCK OF FIXED ASSETS + CWIP	Rs. Min	5253.148	3275.140	2892.399	2845.581	2965.014
SHARE CAPITAL	Rs. Min	367.626	367.426	367.347	366.458	366.320
RESERVES AND SURPLUS	Rs. Min	12377.073	10412.558	8789.838	7651.774	6826.168
NET WORTH	Rs. Min	12744.699	10779.984	9157.185	8018.232	7192.488
EPS BASIC	Rs.	15.42	13.05	8.18	4.43	3.85

RATIOS						
EBIDTA (EXCLUDING OTHER INCOME) TO SALES	%	11%	9%	9%	9%	7%
PBT TO SALES	%	11%	9%	9%	9%	8%
PAT TO SALES	%	8%	7%	6%	6%	6%
RONW	%	24%	24%	17%	11%	10%
ROCE	%	31%	30%	23%	15%	12%
NO. OF SHARES	Nos.	18,38,13,088	18,37,13,088	18,36,73,088	18,32,28,904	18,31,60,060
DIVIDEND	%	300%	225%	210%	108%	135%
BOOK VALUE PER SHARE	Rs.	69.34	58.68	49.86	43.76	39.27
CASH EPS	Rs.	17.82	14.70	9.41	5.63	5.05

## DIRECTORS' REPORT

**To**  
**The Members of Praj Industries Limited,**

Your Directors are pleased to present the 38<sup>th</sup> Report together with the Audited Financial Statements of Praj Industries Limited ("the **Company**") for the financial year ended on 31<sup>st</sup> March, 2024.

### Performance of the Company (Standalone)

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the **Act**"), read with rule 7 of the Companies (Accounts) Rules, 2014 ("the **Accounts Rules**").

During the year under review, your Company has recorded total income of ₹30,580 Mn. (previous year ₹32,032 Mn.). Profit after Tax increased by 18% to ₹2,804 Mn. (previous year ₹2,376 Mn.). The performance summary (standalone) is presented herewith:

	(₹ in Mn.)	
Particulars	2023-24	2022-23
Turnover	29,896	31,526
Other Income	684	506
<b>Total Income</b>	<b>30,580</b>	32,032
<b>Total Expenses</b>	<b>26,933</b>	28,940
PBT	3,647	3,092
(-) Tax Expenses	843	716
PAT	2,804	2,376
Other Comprehensive Income	(36)	(20)
Total Comprehensive Income	2,768	2,356
(+) Balance in Profit & Loss account	8,090	6,345
<b>Profit Available for Appropriations</b>	<b>10,858</b>	8,701
Appropriations		
Dividend	-828	-770
Transfer to / (from) Special Economic zone Re-investment Reserve	163	159
<b>Balance in Statement of Profit &amp; Loss*</b>	<b>10,193</b>	8,090

\* including balance in Debt instruments through other comprehensive income.

## Summary of Consolidated Results

During the year, the Total Income stood at ₹35,098 Mn. (previous year ₹35,636 Mn.). Profit after tax was ₹2,834 Mn. (previous year ₹2,398 Mn.) registering an increase of 18% over last year. The performance summary is presented herewith:

	(₹ in Mn.)	
Particulars	2023-24	2022-23
Turnover	34,663	35,280
Other income	435	356
Total income	35,098	35,636
Total expenses	31,323	32,449
PBT	3,775	3,187
(-) Tax Expenses	941	789
PAT (after Minority Interest)	2,834	2,398
(+) Other Comprehensive Income	-50	-16
<b>Total Comprehensive Income</b>	<b>2,784</b>	<b>2,382</b>

## State of Company's Affairs

Management Discussion and Analysis Report (MDA) is annexed to this report dealing with the state of Company's affairs at length. (Refer **Annexure 1**).

## Dividend

The Board of Directors at its meeting held on 30<sup>th</sup> May, 2024 has recommended final Dividend of ₹6/- per share (300%) of face value of ₹2/- each for the financial year 2023-24. The dividend is payable subject to shareholders' approval at the ensuing Annual General Meeting (AGM). The final dividend pay-out, if approved by the shareholders in the ensuing AGM, will be around ₹1102.879 Mn.

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

## Dividend Distribution Policy

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

## Secretarial Standards

The Company has Complied with the applicable Secretarial Standards (as amended from time to time) issued by the Institute of Company Secretaries of India on meetings of Board of Directors and General Meetings.

## Investor Education and Protection Fund (IEPF)

During the year under review, pursuant to and in compliance with the provisions of sections 124 and 125 of the Act and Rules made thereunder, the Company has transferred 36,174 equity shares whose dividend has remained unclaimed / unpaid for a consecutive period of seven (7) years to IEPF and ₹15,25,700/- (Rupees Fifteen Lakhs Twenty Five Thousand Seven Hundred only), being the unclaimed dividend, pertaining to the final dividend for the financial year 2015-16 to IEPF after giving notice to the members to claim their unclaimed / unpaid dividend. As on 31<sup>st</sup> March, 2024, 2,69,661 equity shares are lying with IEPF.

### Details of Nodal Officer

Mr. Dattatraya Nimbolkar was Nodal Officer till 31<sup>st</sup> December, 2023. Due to his retirement, Mr. Anant Bavare has been appointed as Nodal Officer w.e.f. 1<sup>st</sup> January, 2024. Details in this regard are available on the website of the Company at [www.praj.net](http://www.praj.net).

### Reserves

The Company is not proposing any transfer to the General Reserve for the year 2023-24.

### Credit Rating

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

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

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

### Subsidiaries

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

Consolidated Financial Statements of the Company, which include the results of the said Subsidiary Companies, are included in this Annual Report. Further, a statement containing the details of performance, financial position for each of the Company's subsidiaries in the prescribed format AOC-1 is also enclosed as **Annexure 6**. Copies of Annual Accounts and related detailed information of all the subsidiaries can also be sought by any member of the Company or its Subsidiaries by making a written request to the Company Secretary on the address of the Registered Office of the Company in this regard. The Annual Accounts of the Subsidiary Companies are also available for inspection at the Company's and/or the concerned Subsidiary's Registered Office.

The Company has formulated a policy for determining 'material' subsidiaries and such policy is hosted on the Company's website i.e. [www.praj.net](http://www.praj.net)

### Amendment in Articles of Association

During the year, the Company has substituted the existing Articles of Association with the new Articles of Association which incorporate various provisions of the Companies Act, 2013.

### Corporate Governance

Pursuant to Regulation 34 of the Listing Regulations, Report on Corporate Governance along with the certificate from a Practicing Company Secretary certifying compliance with conditions of Corporate Governance is annexed to this Report as **Annexure 3**.

### Business Responsibility and Sustainability Report

Pursuant to Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility and Sustainability Report (BRSR) on initiatives taken from an environmental, social and governance perspective, in the prescribed format is annexed to this Report as **Annexure 8**.

### Directors

Ms. Parimal Chaudhari (DIN: 00724911) retired at 37<sup>th</sup> Annual General Meeting held on 26<sup>th</sup> July, 2023 and was re-appointed as Director of the Company. Further, she will retire at 38<sup>th</sup> Annual General Meeting and being eligible, has offered herself for re-appointment as Director of the Company.

Members at 37<sup>th</sup> Annual General Meeting held on 26<sup>th</sup> July, 2023, have approved re-appointment of Mr. Shishir Joshipura (DIN: 00574970) as a CEO & Managing Director for a period of 27 months w.e.f 1<sup>st</sup> April, 2023 till 30<sup>th</sup> June, 2025.

Further, Members at 37<sup>th</sup> Annual General Meeting held on 26<sup>th</sup> July, 2023, have approved re-appointment of Dr. Shridhar Shukla (DIN: 00007607) as an Independent Director of the Company for a further period of five (5) years w.e.f. 12<sup>th</sup> April, 2023 till 11<sup>th</sup> April, 2028.

During the year, due to completion of the tenure, Ms. Mrunalini Joshi (DIN: 00957617) ceased to be an Independent Director of the Company w.e.f. 10<sup>th</sup> August, 2023. Further, Mr. Berjis Desai (DIN: 00153675) and Mr. Sivaramakrishnan Iyer (DIN: 00503487) ceased to be the Independent Directors w.e.f. 31<sup>st</sup> March, 2024 due to completion of their tenure.

Based on the recommendation of Nomination and Remuneration Committee ("**NRC**") and the Board, the members through Postal Ballot on 17<sup>th</sup> November, 2023, approved the appointment of Ms. Rujuta Jagtap (DIN: 00861890) as an Independent Director of the Company for the first term of three (3) years. w.e.f. 21<sup>st</sup> August, 2023.

Further, based on the recommendation of NRC and the Board, the members through Postal Ballot on 20<sup>th</sup> May, 2024, approved the appointment of Mr. Vinayak Deshpande (DIN: 00036827) and Mr. Utkarsh Palnitkar (DIN: 00170004) as the Independent Directors of the Company for the first term of three (3) years. w.e.f. 31<sup>st</sup> March, 2024.

### Composition of Key Managerial Personnel (KMP)

The Company has the following KMPs as on 31<sup>st</sup> March 2024;

Name of the KMP	Designation	Date of Appointment	Date of Resignation
Dr. Pramod Chaudhari	Executive Chairman	08.11.1985	N.A.
Mr. Shishir Joshipura	CEO & Managing Director	02.04.2018	N.A.
Mr. Sachin Raole	CFO & Director- Resources	13.07.2016	N.A.
Mr. Dattatraya Nimbolkar	Chief Internal Auditor & Company Secretary	22.07.2011	31.12.2023 (cessation due to retirement)
Mr. Anant Bavare	Company Secretary	01.01.2024	N.A.

### Declaration from Independent Directors

The Independent Directors have submitted their annual declaration to the Board confirming that they fulfill all the requirements as stipulated in Section 149(6) and (7) of the Act read with rules framed thereunder and Regulations 16(1)(b) and 25 of the Listing Regulations.

### Board Meetings

The Board met four (4) times during the financial year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Act and the Listing Regulations as amended from time to time. During the year, the Board approved nine (9) resolutions by circulation as follows:

Sr. No.	Subject matter of Circular Resolution	Date of Passing / approval of Resolution
1	Re-appointment of Dr. Shridhar Shukla (DIN: 00007607) as an Independent Director.	4 <sup>th</sup> April, 2023
2	Appointment of Ms. Rujuta Jagtap (DIN: 00861890) as an Additional Director of the Company.	21 <sup>st</sup> August, 2023
3	Appointment of Ms. Rujuta Jagtap (DIN: 00861890) as an Independent Director of the Company.	



Sr. No.	Subject matter of Circular Resolution	Date of Passing / approval of Resolution
4	Approval of Notice of Postal Ballot for appointment of Ms. Rujuta Jagtap as Non-Executive Director, not liable to retire by rotation and as an Independent Director of the Company.	12 <sup>th</sup> October, 2023
5	Appointment of Mr. Vinayak Deshpande (DIN: 00036827) as an Additional Director of the Company.	29 <sup>th</sup> March, 2024
6	Appointment of Mr. Vinayak Deshpande (DIN: 00036827) as an Independent Director of the Company.	
7	Appointment of Mr. Utkarsh Palnitkar (DIN: 00170004) as an Additional Director of the Company.	29 <sup>th</sup> March, 2024
8	Appointment of Mr. Utkarsh Palnitkar (DIN: 00170004) as an Independent Director of the Company.	
9	Re-constitution of the Statutory Committees	29 <sup>th</sup> March, 2024

### Composition of Audit, Nomination & Remuneration Committee

The information about the composition of Audit Committee, Nomination & Remuneration Committee and other details are given in the Corporate Governance Report, which forms a part of this Annual Report.

#### Auditors

##### a) Statutory Auditors

P. G. BHAGWAT LLP, Chartered Accountants, (Firm Regn. No. 101118W), were appointed as the Statutory Auditors of the Company for a period of five (5) years from 34<sup>th</sup> AGM until the conclusion of 39<sup>th</sup> AGM to be held in the calendar year 2025.

The Auditors' Report does not contain any qualifications, reservations, adverse remarks or disclaimer.

##### b) Internal Auditors

The Internal Auditors, Khare Deshmukh & Co., Chartered Accountants, Pune have conducted internal audits periodically during financial year 2023-24 and submitted their reports to the Audit Committee.

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

The Board has appointed Khare Deshmukh & Co., Chartered Accountants Pune, as Internal Auditors of the Company for the financial year 2024-25.

##### c) Cost Auditors

Your Company has appointed Dhananjay V. Joshi & Associates, Cost Accountants as Cost Auditors of the Company for the financial year 2024-25 at the remuneration of ₹3.25 lakhs (Rupees Three Lakhs Twenty Five Thousand only) which is subject to ratification by the Members at the ensuing AGM.

The maintenance of cost records as specified under Section 148 of the Act is applicable to the Company, and accordingly, all the cost records are maintained by the Company and audited by the Cost Auditors.

##### d) Secretarial Auditors

M/s KANJ & Co., LLP, Pune, were appointed to conduct the Secretarial Audit of the Company for the financial year 2023-24, as required under Section 204 of the Act read with rules framed thereunder. The Secretarial Audit Report (MR-3) for the financial year 2023-24 forms part of the Annual Report as **Annexure 5**.

The Auditors' Report does not contain any qualifications, reservations, adverse remarks or disclaimer.

## **Material Changes and Commitments**

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

## **Risk Management**

Pursuant to Regulation 21 of the Listing Regulations, the Company has constituted a Risk Management Committee. The Company has framed a Risk Management Policy to ensure sustainable business growth and to promote a pro-active approach in identifying, reporting, evaluating and mitigating risks associated with the business of the Company.

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

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

As mentioned in Risk Management Policy, these risks are assessed and steps, as appropriate, are taken to mitigate the same.

The Risk Management Policy is hosted on the Company's website i.e. [www.praj.net](http://www.praj.net).

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

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

## **Internal Financial Controls**

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

## **Remuneration Policy for Directors and KMPs**

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

The said policy is available on Company's website i.e. [www.praj.net](http://www.praj.net) and is also attached as **Annexure 7** to this report.

## **Employee Stock Option Plan (ESOP)**

During the year, your Company allotted 1,00,000 shares on exercise of options under the Employee Stock Option Plan 2011. Consequent to the above, the Issued, Subscribed and Paid-up Share Capital of your Company increased from 183,713,088 (number of shares) (Value ₹367.426 Mn.) as of 31<sup>st</sup> March, 2023 to 183,813,088 (number of shares) (Value ₹367.626 Mn.) as of 31<sup>st</sup> March, 2024.

The particulars required to be disclosed pursuant to Rule 12(2) of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 are provided in **Annexure 4**.

## **Vigil Mechanism/Whistle Blower Policy**

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

## Corporate Social Responsibility (CSR)

Pursuant to and in compliance with Section 135 of the Act and Rule 5 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board has constituted a CSR Committee. CSR Policy is placed on the Company's website at [www.praj.net](http://www.praj.net). The details of the CSR Committee constitution, CSR activities and other details, as required under Section 135 of the Act and the CSR Rules, are given in the CSR Report in **Annexure 2**.

## Particulars of Loans, Guarantees and Investments

The details of loans, guarantees and investments covered under Section 186(4) of the Act are given in the notes to the Audited Standalone Financial Statements. (Please refer Note Nos. 4, 11 & 30 to the Standalone Financial Statements).

## Contracts and arrangements with Related Parties

All contracts / arrangements / transactions entered by the Company during the financial year 2023-24 with related parties were in the ordinary course of business and on an arm's length basis. Such transactions form part of the notes to the financial statements provided in this Annual Report. (Please refer Note No. 30 to the Standalone Financial Statements).

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

As provided under section 134(3)(h) of the Act and Rules made thereunder, disclosures of particulars of transaction in the prescribed Form No. AOC-2 are provided below:

### FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:**

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

There were no contracts or arrangements or transactions entered into with related parties during the year under review, which were not on an arm's length basis.

**2. Details of material contracts or arrangements or transactions at arm's length basis:**

There were no material contracts or arrangements or transactions entered into with related parties during the year under review, which were at arm's length basis.

## Performance Evaluation

Pursuant to and in compliance with the provisions of the Act and Rules made thereunder and as provided in Schedule IV to the Act and the Listing Regulations, the Board works with the NRC to lay down the evaluation criteria for the performance of Executive / Non-Executive / Independent Directors.

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

- a) Ability to contribute to and monitor the Company's corporate governance practices.
- b) Ability to contribute by introducing international best practices to address top-management issues.
- c) Active participation in medium to long-term strategic planning.
- d) Commitment to the fulfillment of Directors' obligations and fiduciary responsibilities, which include participation in the Board and the Committee Meetings.

The evaluation of all the Directors, Committees and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The Board noted the Summary of Performance Evaluation collated by the NRC, at its meeting held on 30<sup>th</sup> May, 2024.

### **Annual Return**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, Annual Return for the financial year ended on 31<sup>st</sup> March, 2024, in prescribed Form No. MGT-7 is available on the website of the Company at [www.praj.net](http://www.praj.net).

### **Directors' Responsibility Statement**

In accordance with the provisions of Section 134(5) of the Act, the Board hereby submits its responsibility statement for the financial year 2023-24 as follows:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) the Directors have prepared the annual accounts on a going concern basis.
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **Details in respect of frauds reported by auditors under Section 143(12) of the Act**

During the year, the Auditors have not reported to the Audit Committee, any incidence of fraud as defined under Section 143(12) of the Act, committed against the Company by its officers or employees.

### **Deposits**

The Company has not accepted any deposits from public as per the provisions of Sections 73 and 74 of the Act read with Rules made thereunder and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

### **Remuneration ratio of the Directors / KMPs / Employees**

The information required pursuant to Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, duly amended, in respect of Directors & KMPs of the Company is furnished hereunder.

Sr. No.	Name	Designation	Remuneration paid during FY 2023-24 (₹ in Mn.)	% increase/ (Decrease) in remuneration over FY 2022-23	Ratio of the remuneration of each Director to median remuneration of employees
1	Dr. Pramod Chaudhari	Executive Chairman	114.804	18%	89
2	Mr. Shishir Joshipura	CEO & Managing Director	109.487	19%*	53*
3	Mr. Sachin Raole	CFO & Director- Resources	45.073	18%*	25*
4	Mr. Berjis Desai	Non- Executive Independent Director	3.750	25%	3
5	Ms. Parimal Chaudhari	Non- Executive Director	3.000	25%	2
6	Mr. Sivaramakrishnan Iyer	Non- Executive Independent Director	3.400	26%	3
7	Ms. Mrunalini Joshi@	Non- Executive Independent Director	0.500	-	-
8	Dr. Shridhar Shukla	Non- Executive Independent Director	1.250	25%	1
9	Mr. Suhas Baxi	Non- Executive Independent Director	1.000	11%	1
10	Ms. Rujuta Jagtap#	Non- Executive Independent Director	0.600	-	-
11	Mr. Dattatraya Nimbolkar^	Chief Internal Auditor & Company Secretary	8.999	-	-
12	Mr. Anant Bavare\$	General Manager & Company Secretary	0.856	-	-

\* Impact of ESOP prerequisites not considered while working out the percentage in order to facilitate like to like comparison.

@ till 10<sup>th</sup> August, 2023

# w.e.f. 21<sup>st</sup> August, 2023

^ till 31<sup>st</sup> December, 2023

\$ w.e.f. 1<sup>st</sup> January, 2024

The median remuneration of employees of the Company for the financial year was ₹ 1.269 Mn. In the financial year 2023-24, there was an increase of around 4% in the median remuneration of employees.

There were 1295 permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2024.

Average percentage increase made in the salaries of employees other than the managerial personnel during the financial year 2023-24 was around 10% whereas the managerial remuneration for the same financial year increased by around 18%.

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

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

### Particulars of Employees

The information required pursuant to Section 197 of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, duly amended, in respect of employees of the Company, will be provided upon request. In terms of Section 136(1) of the Act and the Rules made thereunder, the Annual Report, excluding the aforesaid information, is being sent to all the members and others entitled to receive it. Any shareholder interested in obtaining such particulars may write to the Company Secretary.

### Significant and Material Orders Passed by the Regulators or Courts or Tribunals

During the year, there were no significant material orders passed by the regulators and courts, which would impact the going concern status of the Company.



## Insolvency and Bankruptcy Code (IBC)

There were no proceedings admitted against the Company under IBC 2016.

## Prevention of Sexual Harassment Policy

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

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

The following is a summary of Sexual Harassment Complaints received and disposed during the financial year 2023-24, under the aforesaid Act:

No of Complaints pending at the beginning of the year	: Nil
No. of Complaints received	: Nil
No. of Complaints disposed of	: N.A.
No. of Complaints pending	: Nil

## Energy Conservation, Technology Absorption, Value Maximization, Innovation

### Energy Efficiency and Conservation initiatives across operations

- All the operation premises including office spaces are retrofitted with LEDs to enhance energy efficiency
- Replacement of diesel-based heat treatment operations to LPG based heat treatment at our Kandla operations to reduce the emissions
- Explore Solar Open Access: Solar Open Access for Pune office and operation spaces is underway. This will contribute to the 100% green energy availability for operations.
- Awareness among employees: All meeting rooms and office spaces are provided with simple guidelines for employees and visitors to save energy.

### Technology Development Perspective

Producing low carbon intensity (CI) ethanol is a crucial step towards achieving net-zero emissions. To ensure that low CI ethanol can be marketed in leading international markets, it is essential for our customers to have their operations evaluated and to provide technology solutions for the reduction of CI.

### Technology Absorption and Innovation

Praj focuses on designing and engineering plants and machinery that minimize energy and water consumption. The plants are designed to meet regulatory norms for environment, health, and safety, thereby reducing customers' compliance risks.

Our Business Sustainability Systems monitor critical norms, demonstrating that every new generation plant surpasses previous benchmarks for yield, water consumption, energy use, and effluents. Infusing sustainability principles into the design and engineering of plants and machinery and providing sustainability solutions to customers is of prime significance.

### Technologies Developed During Financial Year 2023-24

- **Energy Integration (EI):** For starchy feedstock based plant, PRAJ has developed a thermal energy reduction technique using mechanical vapor recompression for energy integration. This technology helps reduce thermal energy by up to 80%, thereby reducing fossil fuel requirements and leading to a 15-20% reduction in greenhouse gas emissions.

- **Process Integration (PI):** PRAJ has developed technology for RNG production from the liquid streams from the distillation section for grain-based distilleries. Liquid streams containing mainly fats, fiber, residual starch, and protein, which were conventionally concentrated and used for DDGS production, will now be converted into valuable renewable natural gas, achieving a 30% additional reduction in GHG emissions.
- Developed whole stillage to biogas technology for wheat as raw material, resulting in multiple fuel streams as output and reducing the overall carbon intensity.
- **Process Optimization (PO):** For the USA market, in line with Renewable Identification Numbers (RIN) and Low Carbon Fuel standards (LCFS) benefits, PRAJ has developed technology for the conversion of fiber to ethanol, resulting in a 6-7% higher ethanol yield. This technology also enhances protein content in the DDGS stream, which can be sold as high-protein DDGS, improving economics and CI numbers.
- **Co-product Maximization:** In India, broken rice is used for ethanol and DDGS production. PRAJ has developed technology for the front-end separation of rice protein as a valuable co-product, which will be used for food nutrition.  
Corn oil is an important co-product for corn-based distilleries. For the domestic market, PRAJ has developed technology for efficient distiller's corn oil extraction from stillage.
- **CBG/RNG Technology:** In response to market requirements, PRAJ's biomethanation technology has been upgraded to process multiple feedstocks, including agri-residue, poultry and farm waste, grasses, and industrial wastes like press mud, napier grass, rice straw, cow dung, cotton stalk, etc. Depending on plant capacities and the characteristics of the feedstock, multiple gas cleaning technologies such as VPSA, chilled water systems, and membrane-based gas upgrading systems will be offered as part of the end-to-end CBG offering. PRAJ has successfully demonstrated bio manure (FOM) production meeting FCO specifications as part of RenGas technology.
- **Sustainable Aviation Fuel (SAF):** An integrated bench-scale facility built at the PRAJ R&D center has been successfully commissioned and is being operated for the production of SAF based on the ATJ pathway. This facility will also be upgraded to operate on multiple feedstocks like ethanol, IBA, 2,3-BDO, etc.

#### Key Highlights for Financial Year 2023-24

1. Successful demonstration of technology for production of bioethanol from Brazilian corn at the Bioenergy Complex, Brazil.
2. Received a significant order from Brazil for multi-feed-to-biofuels technology represents a breakthrough in the conversion of diverse feedstocks such as corn or wheat, into biofuels.
3. Cutting-edge technology viz SHIFT, PIB, EcoCOOL has achieved the production of ethanol with the lowest water and energy footprint in the industry. This innovation not only reduces environmental impact but also sets a new standard for sustainability in biofuel production. In Addition to ethanol, RenGas technology for the production of Compressed Bio-gas (CBG) from sugar mill waste stream namely press mud was demonstrated successfully. The end to end integrated and optimized process demonstrated consistent and reliable yield of CBG from multiple feedstock.
4. Receipt of order based on state-of-the-art water recycle reuse technology designed to minimize water usage for Press Mud to Biogas plant.
5. Napier Grass-to-biogas technology harnesses the potential of this fast-growing, high-yield grass species to produce renewable biogas through anaerobic digestion. By leveraging this abundant and readily available feedstock, your company has developed a cost-effective and environment friendly solution for bioenergy production.
6. Successfully commissioned demonstration plant for the end to end production of SAF. These advancements underscore our commitment to energy conservation, technology absorption, value maximization, and innovation. Our continuous efforts in these areas are crucial for achieving a sustainable and low-carbon energy future.
7. In the year gone by, the Company was granted Five (5) Indian and Eleven (11) International patents bringing the total to Thirty (30) granted Indian patents and Seventy Four (74) granted International patents and over 300 patent applications till date.

The total number for patents is less due to abandonment of 10 granted International Patents.

## Foreign Exchange Earnings & Outgo

(₹ in Mn.)

Particulars	31/03/2024	31/03/2023
Earnings	6,723	5,209
Outgo	1,278	2,896
Net Foreign Exchange Earnings	5,445	2,313

Your Company has retained its status as a net forex earner consecutively for past 26 years.

## Acknowledgements

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

For and on behalf of the Board of Directors

Place: Pune  
Date : 30<sup>th</sup> May, 2024

Dr. Pramod Chaudhari  
Executive Chairman  
(DIN: 00196415)

## ANNEXURE 1 MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Overview

Your company, Praj Industries (Praj), is a Global leader in providing technology-embedded solutions spanning across Biofuels, Biomaterials, Energy Transition & Climate Action, Critical Process Equipment & Modularization, High Purity Water Systems, Brewery & Beverages, and Zero Liquid Discharge Systems. Under the principle "innovate, integrate, and deliver," your company has provided a wide range of solutions for process industries, including energy, environment, manufacturing, and pharmaceuticals. Your company's expertise has been continuously demonstrated with a legacy of more than 40 years, as evidenced by the 1000+ customer references built in more than 100 nations across 6 continents.

Your company has a vision to make the world a better place using innovative technology solutions aimed at sustainable decarbonization facilitating reduction in water, energy, and carbon footprints. Bioeconomy has emerged as a promising pathway for sustainable climate action. BioMobility® and BioPrism® are two mainstays of Praj's initiatives in bioeconomy. BioMobility® is a platform of technologies for producing low carbon biofuels and Bio-Prism® is a technology portfolio for the production of renewable chemicals and materials.

Your company provides value to customers with its distinct TEMPO (Technology, Engineering, Manufacturing, Project management, and Operations) model. Its strength lies in the unique approach of Research & Development (R&D) to Design and Deployment (D&D). Your company's cutting-edge R&D facility, Praj Matrix, offers biotechnological solutions to both expressed and implicit needs of clients. Through its customer-centric approach, your company has built a time-tested mutually rewarding relationships with businesses around the world.

Today, the world is witnessing climate adversities all around the globe. The State of the Global Climate 2023 report, released by the World Meteorological Organization (WMO) confirmed that 2023 was the warmest year on record, with the global average near-surface temperature at 1.45 °Celsius above the pre-industrial baseline. The UAE COP28 Climate Change Summit calls for 'transitioning away from fossil fuels' in energy systems, in a just, orderly, and equitable manner. Tripling renewable energy capacity and doubling energy efficiency by 2030, stated the collective consensus at COP28 to achieve net zero by 2050, aligns well for your company.

The launch of the Global Biofuels Alliance (GBA) is seen as one of the major outcomes of the G20 Summit under India's presidency. GBA has stated objectives to strengthen global cooperation for the rapid adoption and deployment of biofuels. Your company invited to the special roundtable titled 'Interaction of Hon' Prime Minister with Global Energy CEOs' at India Energy Week (IEW) 2024. It provided an opportunity to showcase your company as a leading Indian Industrial Biotechnology company providing technology-embedded solutions for the Global Biofuel sector.

With growing concerns over energy security, nations and governments across the globe are seeking more sustainable sources of energy, marking a clear shift to renewable energy sources like Biofuels. In order to diversify the energy mix with greener alternate fuels, your company is increasing its focus on providing technology solutions for Energy Transition and Climate Action (ETCA) sector including Green Hydrogen, Green Ammonia to name a few.

Under the ambit of the Clean Cooking Alliance your company is working with an international technology company to mainstream liquid bio-ethanol cooking fuel as a fast, safe and affordable alternative. This initiative will significantly transform lives by improving health, protecting the environment, creating jobs, and helping consumers save time and money.

Your company has been Ranked Global No. 1 in the 'Hottest Top 50 Companies in Advanced Bioeconomy' released by the US based Biofuels Digest making Praj the first Asian and Indian company to bag this honour. From Global Rank #34 in 2018 to Global Rank #8 in 2019 and finally achieving the Global Rank #1 in 2024, brings high responsibility and accountability to your company.

In this fiscal year, your company continued to stay on the growth trajectory, owing to the resilient Indian economy and robust domestic demand.

### Business Snapshot

#### Bioenergy

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

- **Conventional Biofuels:** Low carbon (1G) ethanol produced from Sugary & Starchy feedstocks and Renewable Biodiesel
- **Advanced biofuels:** Ultra-low carbon (2G) ethanol and Renewable Natural Gas (RNG)/ Compressed Biogas (CBG)
- **Next Gen Biofuels:** Sustainable Aviation Fuel (SAF)
- **Future Biofuels:** Biohydrogen, Marine Biofuels

Praj's BioMobility® platform of technologies aim to provide low carbon renewable transportation fuels in liquid and gaseous forms for all modes of mobility, including surface, air, and marine, by processing bio-based feedstocks. Bio-based feedstocks, including sugary (C molasses, B molasses, Sugar Syrup, etc.), starchy (damaged/surplus grains), and lignocellulosic (agri-residues, forestry residues and biomass), are used to produce biofuels.

### **1<sup>st</sup> Generation (low carbon) Ethanol: Domestic**

National Policy of Biofuels, 2018 was announced by the government with an objective of enabling energy security, lowering carbon emissions, reduce oil imports and saving foreign exchange. It had indicated a target of 20% ethanol blending in gasoline by 2030. However, on the back of strong market acceptance across the value chain, this target was advanced to 2025-26. The policy witnessed a valuable intervention in 2022 with addition of starchy grains to the feedstocks basket.

In order to meet the ethanol blending targets, several measures have been implemented. These include increasing the range of feedstocks used in ethanol production, administering a price mechanism for ethanol procurement under the Ethanol Blended Petrol (EBP) Program, and lowering the GST rate to 5% for ethanol. Additionally, government has also amended the Industries Act (Development & Regulation) to allow for the free movement of ethanol across states for blending, and regularly allowing Public Sector Oil Marketing Companies (OMCs) to procure ethanol. In line with the aforesaid Roadmap, OMCs have achieved 10% ethanol blending during 2021-22 and 12% during 2022-23.

However, there were a few policy changes in FY 23–24 that hindered the momentum. The government restricted the use of excess rice from the Food Corporation of India (FCI) inventory for production of ethanol to keep inflation under control and guarantee sufficient rice supply for the domestic market. However, Ethanol producers were not restricted to purchase rice from the open market. The pricing for OMC's grain-based ethanol was revised upward to assure project viability, which helped to restore trust for both ongoing and new projects.

In another development, anticipating low sugar production, the government ordered ban on use of sugar syrup for ethanol production in the 2023-24 supply year. This move disturbed the supply chain dynamics in the sugar sector leading to the near absence of order book from sugar segment. Your company's domestic bioenergy business witnessed around 90% of its orders book from the starchy feedstock-based ethanol plants. Later the government revised the order that allowed limited use of both sugar syrup and B-heavy molasses and announced an incentive for encouraging ethanol production from C Heavy molasses. In order to promote other feedstocks, the government announced upward revision for ethanol produced from maize.

To help customers mitigate the feedstock challenges, your company has developed solutions for converting existing single feedstock plants to multi-feedstock. Your company is confident that these solutions will help customer better navigate in future any potential uncertainty in feedstock related policies.

In February 2024, state-owned oil marketing corporations (OMCs) with an intention to purchase over 300 crore litres of ethanol, the Ethanol Procurement Group (OEPG), invited bidders to enter into a long-term off-take agreement with upcoming Dedicated Ethanol Plants (DEP). These included the states of Tamil Nadu, Kerala, Andhra Pradesh, Telangana, Gujarat, Rajasthan, Goa, Odisha, and Union Territories of Jammu & Kashmir and Ladakh for the procurement of ethanol. This is a positive development in terms of additional capacity building.

### **1<sup>st</sup> Generation (low carbon) Ethanol: International**

Your company has successfully completed a milestone ethanol project in Brazil using grain as feedstock. This Hydrous Ethanol Plant has a capacity of 63,000 litres/day, with a potential to double its capacity in near future. Your company is building one more Corn to Ethanol Plant in South Brazil having capacity of 654,000 litres/day of Anhydrous Ethanol or 688,000 litres/day of Hydrous Ethanol. Both orders hold significance as Ethanol Industry in Brazil is predominantly based on sugary feedstock.

Low Carbon Ethanol (LCE) is the building block to produce Sustainable Aviation Fuel (SAF). LCE is finding a strong traction in the US market to support the production of SAF. Your company received its first order for low-carbon ethanol in FY 23–24 and have finished Front End Loading (FEL) studies for other prospective projects. There are a few pending clarifications on incentives for production on low carbon ethanol in the section 45(Z) of the Inflation Reduction Act (IRA). These clarifications are expected to be addressed soon, which will pave way in firming up engineering and equipment supply contracts in FY25. In a noteworthy development, your company has received an order of the Green Field ENA project from a French conglomerate in Ivory Coast, Africa.

The Global Biofuels Alliance (GBA) is developing positively with 22 countries and 12 International Organizations being part of GBA. Your company has already initiated dialogue with 10 countries and 7 organizations.

Under the ambit of GBA, the world is witnessing steadfast progress in the increasing awareness about biofuels and governments across the globe are taking necessary steps towards policy interventions and technology adoption. Argentina observed a positive development in the form of increased percentage mandate, from 10% to 15% of ethanol blending in gasoline. Similarly, Indonesia has recently introduced 5% EBP mandate leading to promising business opportunities in near future.

### Services Business

Your company's comprehensive portfolio of products, including yeast, enzymes, and fermentation performance enhancers. Your company's extensive understanding of feedstock, chemistry, microbial biology, and industrial processes helps in formulating these products.

Your company's fermentation performance enhancers boosting plant performance, yields, and product quality, is receiving traction in both domestic and international markets. Your company is also partnering with leading grain-based enzyme provider to provide enhancements in chemicals. Your company is also providing enhancement for sugar industry to help increase the performance of distilleries with year-long feedstock availability, zero contamination and improved portability.

Under the Operations and Maintenance (O&M) service, your company supplies process equipment and provide service for utilities keeping their safety and compliance to maximize production, enhance profitability, and increase revenues. Your company offers plant automation and digitalization services with the Remote Process Monitoring & Support Services (RPMSS) to enhance process efficiency enable predictive maintenance and boost plant yields. To expand customer reach and serviceability, your company is building a robust distribution network in different markets to offer a full range of products and services.

### 2<sup>nd</sup> Generation (ultra-low carbon) Ethanol

Lignocellulosic feedstock i.e., agricultural residue, softwood, etc. is available in abundance worldwide and importantly biofuels produced from these feedstocks provide the highest carbon intensity reduction.

Your company has successfully deployed process technology and supplied critical equipment to convert rice straw into ethanol at the IOCL Biorefinery in Panipat, Haryana. Your company is addressing issues related to unspecified feedstock, its availability and mechanical issues in the pre-treatment section. Your Company is defining necessary modifications with the help of team IOCL and partners to resolve these issues. Your company has been able to produce more than a million litres of ethanol till date at this plant.

Your company is also working on two more 2nd Generation Biorefineries for HPCL and BPCL which are expected to be commissioned during FY25.

Scientists and technologists at the Praj Matrix R&D center continue to finetune the intricate technical aspects to further improve the process of 2G enfinity® technology and therefore enhance commercial viability of plant. The team is developing process integration solutions and development of co-product, such as CO<sub>2</sub>, lignosulfonates, bio-bitumen, CBG, and organic fertilizer, to lower both CAPEX and OPEX.

Your company will intensify its efforts on 2G Biorefineries once your company ramp up the capacity in IOCL.

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

The overall landscape for the CBG business has improved in FY 23–24. The CBG Blending Obligation (CBO) has been announced by the government, requiring the blending of CBG in PNG and CNG starting FY 25–26. It is anticipated that CBO mandates will progressively rise from 1% in FY 26 to 5% in FY 29. By 2028–2029, it is expected to garner investments to the tune of Rs 37,500 crores so as to build 750 CBG projects across the nation. India is slowly and steadily transitioning to a gas-based economy.

Your company is happy to share successful commissioning of commercial scale CBG plant based on press mud and rice straw as also achieved benchmark results in plant yield. These plants deploy your company's state of the art proprietary PMStab™ & BMSolve™ bio-solutions to achieve reliable performance.

During the year, both public and private companies have announced to install CBG plants. IOCL has planned to install 30 CBG facilities nationwide. Also, nation's top business conglomerates are actively pursuing to set-up CBG plants. Your company received a contract in FY 23–24 to set-up five CBG facilities, and currently in talks to establish more plants for one of the leading business conglomerates.

Your company's customers are now seeking technology solutions for production of CBG using different varieties of agricultural residues, poultry residues, and waste streams. Your company's R&D team is developing a program to identify the optimal way to produce CBG from a range of residues. Your company is incorporating the past learnings to improve the scope and functionality of the solutions in the field after carrying out in-depth trials on different varieties of feedstocks at the demo plant. Your company has already established technology to produce CBG from a range of feedstocks, including rice straw, spent wash, and press mud.

Your company's distinct strengths in understanding of different feedstocks and the knowledge gained from its initial projects, puts it in a strong position to take advantage of new prospects in the CBG arena.

## **Sustainable Aviation Fuel (SAF)**

As part of its BioMobility® platform, your company has made significant progress in technology development for carbon abatement of Aviation industry with the production of SAF using biobased feedstock.

One of way to produce SAF is from ethanol. It takes two litres of ethanol to make one litre of SAF. A total of 14 crore litres of SAF will be needed to meet the nation's 1% SAF blending requirement. This translates to annual demand of around 28 crore litres of ethanol. For all international flights, the Indian government has set an indicative goal of 1% SAF blending in 2027 and progressing to 2% in 2028.

In January 2024, your company's first-of-its-kind fully integrated Alcohol to Jet (ATJ) technology based SAF demonstration facility at Praj Matrix was inaugurated at the hands of Hon. Union Minister Shri. Hardeep Singh Puri. This is a milestone achievement in your company's pursuit of sustainable decarbonization of the transportation sector. Building SAF Production Capability from Biomass will lay the pavement for making India an export hub for SAF for the global aviation industry.

## **Critical Process Equipment & Modularization (CPEM)**

CPEM specializes in conceptualizing, engineering & manufacturing of modularized process packages and critical equipment for various process plants.

Your company received significant orders from leading T-EPC companies focused on oil & gas and fertilizers segments. Modularization has driven the growth of the business of your company with significant growth in order intake from leading customers from Oil & Gas and Fertilizers industry across the globe.

## **Energy Transition and Climate Action**

Globally, Energy Transition and Climate Action, or ETCA, is gaining lot of attention. Energy behemoths are putting huge investments into a range of initiatives to meet the rising demand for low-carbon energy. Your company's expertise to build modularized engineering solutions across the technology platforms is giving it a significant competitive edge.

To address the growing opportunity basket from the ETCA agenda, your company has set up a new subsidiary - Praj GenX Limited, an Integrated Manufacturing Facility near Mangalore port which commenced its operations in the last quarter of FY 24.

Energy giants worldwide have committed to investing over \$300 billion in clean energy by 2030 as part of their ETCA projects. A variety of projects, including waste-to-energy, low-carbon fuels, carbon capture, and blue & green hydrogen, are being envisaged. Your company has already established a robust pipeline of enquires and is geared up to address opportunities arising from these initiatives. In an interesting development, your company has been chosen as a technology partner to provide modularized solutions for one of the largest Blue Hydrogen projects in Europe.

## **Zero Liquid Discharge Solutions**

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

Your company has introduced a new modularization approach to the ZLD offerings which has given it a unique technology advantage. Modularization of water treatment plants significantly reduces the civil construction requirements and the physical footprint of the plant. Your company has successfully delivered its first modularized ZLD plant and your company is already in discussions with numerous customers to offer customized modularized solutions.

Your company is leveraging its' core competence in Industrial biotechnology and microbiology to develop specialized microbes for processing difficult to treat complex industrial effluent.

## **Brewery & Beverage**

Your Company offers customized plants, equipment & technology solutions to customers in the brewing & beverage industry. Your company has proven its expertise ranging from designing and engineering to installing and commissioning of plants and process equipment. The Apple juice concentrate plant in Himachal Pradesh was successfully commissioned by your company in the third quarter of FY 2023-24.



As the consumption of beer reaching to pre Covid levels, your Company is now witnessing a flow of domestic enquiries and expects the business to show growth in second quarter of FY25.

### **Praj HiPurity Systems (PHS)**

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

India aspires to play a significant leadership role in the global pharmaceutical supply chain. The capacity building, wide spectrum of medication and research led growth continues to be the key focus areas. With more than \$10 bn of drugs going off-patent, more than 12% growth in medicine spending and continued focus on greener technologies like fermentation will continue to interest Pharma giants.

PHS has decided to focus on Sterile formulation products alongside precision fermentation. With 90% OTP (on time performance) and 60% plants delivered before time than committed, PHS continues to drive First to Market strategy of pharmaceutical leaders for innovative drug segments. There was a 300% growth in Fermenters built by PHS over the year with capacities ranging from 100 litres to 100 KL capacities.

High-capacity fermenters are witnessing strong traction both in domestic and international markets. PHS has received the first international order for high-capacity fermenters and completed the first order of a water system for lithium-ion battery plant. PHS also completed three advanced Blood Plasma projects in the current fiscal year

PHS signed a significant contract for its COLD WFI system based on its proven and successful GLACIER™ Technology for a successful & established Biologics client in the US. The need for sustainable solutions with low energy and have low carbon footprint will increase in the Indian subcontinent as it has in developed countries. PHS expect the demand for COLD WFI to grow by a significant double digit over the next 3-5 years allowing PHS to contribute to this changing landscape.

### **Innovation and R&D**

Your company's influence has been reaching new heights in the advanced bioeconomy owing to the cutting-edge technological solutions formulated by its scientists and technologists. Your company's R&D Centre Matrix has an impressive portfolio of 400+ domestic and international patents. It is working towards achieving excellence through two mainstays of Bioeconomy: Bio-Mobility® and Bio-Prism®, facilitating decarbonization of mobility and developing renewable chemicals and materials respectively.

Your company has developed a first-of-its-kind Alcohol to Jet (SAF) demonstration facility at the R&D Center in Pune. This facility is an important element in combining bioprocesses with catalysis. This facility will open a new path for using fermentation-based products like ethanol; iso-butanol; 2,3 butanediol; and Methane, as platform molecules to develop its derivatives.

Your company has optimized biological pretreatment processes to fetch higher volumes of low carbon biofuels like CBG. Your company's innovative 'Pressmud Preservation' technology facilitates round-the-year operations with a consistent yield of biogas in CBG plants. In another development, a promising feedstock, Napier grass, is under the testing phase at your company's R&D center, Praj Matrix. With initial positive results your company expects to deliver technology solution for this feedstock by August 2024. The unique offerings to its customers, puts your company on a leading position in the market.

Your company's Bio-Prism® platform includes an emphasis on Bioplastics, a suitable sustainable solution for replacing single use plastics. Your company has advanced the development stages for biopolymers- Polylactic acid (PLA) and Polyhydroxyalkanoates (PHA).

Your company has set up a first-of-kind demonstration facility at Jejuri, on the outskirts of Pune, to accelerate the commercialization of bioplastics. The first technology that will get scaled up at this facility is Lactic acid which eventually will polymerize to PLA. This pilot facility will be up and running by August '24. The interim union budget 2024 provisions to boost the biomanufacturing sectors complement your company's efforts in the Bioplastics sector.

In continuation of the last year's MoU with the Institute of Chemical Technology (ICT), your company has set up, "Parimal and Pramod Chaudhari Centre of Excellence and Innovation for Biopolymers" (PPC-CoEI). This State-of-the-Art laboratory will help develop novel methods & standards for biopolymers characterization, processing, and modification at ICT. The center has taken up application development of bioplastics, viz. PHA and PLA, as its first collaborative project.

Your company is also working to develop biorefinery coproducts that will complement 1G & 2G ethanol plants. Taking note of the growing popularity of Plant-based proteins worldwide, your company has developed technology for extraction of protein from Rice used for ethanol production. Lignin is a similar important co-product from 2G feedstocks. Your company has developed technology for conversion of the lignin into various value-added products including Bio-bitumen. Your company has successfully



demonstrated this product through the road built in Gujarat using its' Bio-bitumen. This road has completed two years and performing well enduring all seasons.

Your company has promised to find new ways to decarbonize and recycle carbon. The guiding principle for technology development is 'Technologies with lowest Carbon intensity and Best in Class'.

## **Manufacturing Capability**

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

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

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

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

With concerted efforts in value engineering, manufacturing excellence initiatives and quality programs, your Company is enhancing its productivity and capacity from existing infrastructure. The latest manufacturing facility at Mangalore is the state-of-the-art Industry 5.0 facility that plans to achieve operational excellence with 'cobots' aka human and robot coexisting on the shop floor performing logical and iterative tasks respectively.

Focus on institutionalizing best industry practices, the Zero D program that includes Zero Defect in Quality, Zero Delay in critical milestones of project schedule, Zero Deviation from specifications, systems, processes, and budget, and Zero Damage to people and planet has helped rollout higher volumes of quality products. Your company has been able to leverage the strong supply chain network and vendor base to optimize delivery. As part of the ESG initiatives, your Company has brought in a relentless focus on sustainable supply chain by helping the MSME vendor base to upgrade their process and practices.

## **Digitalization**

Your Company makes a continued effort to adopt new technologies that help in process improvements to deliver customer-centric solutions. Remote Process Monitoring Support Services (RPMSS), your company's unique remote plant monitoring service that leverages Industry 4.0 technologies to deliver reliability to customers' plant operations. By offering real-time data analytics insights for tactical, strategic, and operational level actions, it enhances plant performance. Your company has taken internal digitalization initiatives like PRIDE-Praj Integrated Design Engineering, Praj-Gatimaan (SCM) and others that will help in achieving improved process efficiency and enhanced capacity.

## **Human Capital**

Your company focuses on the employee life cycle journey to ensure talent attraction, development, & engagement and to make it ready for growth. The Human Capital Management (HCM) function is core to the growth of business, and it ensures organizational effectiveness. The focus is on skilling-upskilling talent, exploring new ways to attract and retain talent, and ensuring their wellbeing. The structural leadership development program aims at nurturing tomorrow's leader and ensure your company's readiness for the future.

Your company is promoting talent acquisition through Walk-In Drives, retaining current employees, and focusing on succession planning to build a next-level talent pipeline for critical positions. Your company is actively fostering talent and organizational development through ongoing learning & leadership development initiatives by partnering with reputed institutes and training agencies to enhance competencies and unleash potential in its workforce.

The overall growth across the bioenergy and ETCA space has provided your company with enormous opportunities to explore unique avenues of talent attraction and retention. Your company is in the phase of designing exciting career paths through lateral movements across the functions. Your company is enhancing the entry-level talent pipeline by implementing a structured Training and hiring programs for students from premium Engineering & Non-Engineering colleges, thereby creating structured career paths for them.

As a part of your company's efforts towards building a women's talent pipeline, efforts have been taken towards hiring female employees at mid-senior level with regional diversity across functions. Your company has implemented a digitalization initiative named Praj Sparsh for Human Capital functions to provide seamless employee lifecycle experience.

Various Employee awareness programs were organized to emphasize the significance of workplace safety among employees. Your company implemented various employee engagement initiatives such as Team Outbounds, Hi-Tea with Leadership, social and cultural gatherings, among others.

Employee communication through Townhall meetings, periodic webinars, quarterly connect programs, and induction programs ensure company developments are communicated and employees get opportunity to interact with the Chairman, CEO & MD, and Leadership team.

## Awards & Recognition

In FY 2023-24, Your Company was bestowed with the following awards, certifications, and accolades:

- Prestigious award in the field of sustainability and innovation by the esteemed ELSC Leadership Award
- Ranked 1st in Biofuels Digest Global Hottest 50 Companies in the Bioeconomy 2024
- 'Award for Excellence in Export 2022-23' in the category of 'Engineering & Metallurgical Products' organized by the Kandla Special Economic Zone (KASEZ)
- "Act of Compassion Award 2024" in the category of Environmental Sustainability
- "Act of Compassion Award 2024" in the category of Women Empowerment
- "Distinguished Service Award" at Rotary CSR Awards 2023
- Best Supplier Award in the Lead category by Baker Hughes

In FY 2023-24 Praj Executive Chairman Dr Pramod Chaudhari received following awards:

- 'Atal Sanskruti Gaurav Award 2023'
- Prestigious Fellowship from Indian National Academy of Engineering (INAE) 2023
- Lifetime Achievement Award 2023 by Indian Institute of Material Management (IIMM), Pune
- 'Sustainable Crusader Award 2023' at JP Shroff Foundation
- 'Dr. Ramkrishna Gopal Bhandarkar Award 2023' at Pune Prarthana Samaj Award Ceremony
- 'Hall of Fame Award 2023' at Pro MFGs CuPID Conference & Award Ceremony
- Honorary Doctor of Science by Dr. D Y Patil Vidyapeeth, Pune
- Lifetime Achievement Award from Indian Institute of Chemical Engineers (IICChE), Pune
- Satara Bhushan Purashkar 2023
- Eminent Engineer Award 2022 by Engineering Council of India (ECI)
- 'Udyog Ratna Award 2024' at Mahatech 2024
- 'Dr. Mohan.I. Patel Industrial Research Leadership Award 2023.'

## Future Outlook

COP28 Climate Change Summit held in Dubai, UAE closed with an agreement that signals the "beginning of the end" of the fossil fuel era by laying the ground for a swift, just, and equitable energy transition, underpinned by deep emissions cuts and scaled-up finance. The COP28 agreement calls upon countries to contribute to tripling of global installed capacity of renewable energy and doubling annual improvements in energy efficiency by 2030. COP29 Climate Change Summit that will convene from 11 to 22 November 2024 in Baku, Azerbaijan will continue the global quest to sustainable and green energy transition.

The Global Biofuels Alliance (GBA) that was launched during India's presidency at G20 aimed to promote biofuels as an important element of energy transition while fostering energy security, and economic growth. As a president of G20 this year, Brazil also a driving force behind GBA, is expected to further boost the global momentum for biofuels. GBA will facilitate the development, adoption, and implementation of internationally recognized standards, codes, sustainability principles, and regulations to incentivize biofuels adoption and trade.

Driven by the imperatives set forth at the COP28 Summit and the strategic direction provided by the GBA, the Global Biofuel Industry stands at a transformative juncture. With international cooperation, technological innovation, and sustainable practices, biofuels are poised to become a cornerstone of the global energy transition, significantly contributing to the reduction of greenhouse gas emissions and help to achieve the Net Zero Goals. India's leadership across policy, technology & ecosystem development can benefit the larger world & help include the Global South in this important journey.

Your Company being a flagbearer of industrial biotechnology, has a unique opportunity to harness the potential of the GBA for its growth and global impact. This alliance signifies access to a global market for biofuel technology and solutions, alignment with international biofuel policies and regulations and collaboration opportunities for research and innovation.

The GBA underscores the commitment to biofuels, including Compressed Biogas (CBG). The Indian government has been actively promoting CBG as an alternative energy source. Mandating a 5% blending of CBG with compressed natural gas (CNG) and piped natural gas by FY29 further accelerates its adoption. CBG is poised to play an increasingly significant role in the biofuels market, driven by the global shift towards decarbonization and sustainable energy.

With a focus on regenerative principles and an objective to advance Green Growth, the interim financial Budget presented this year included new scheme to promote Bio-Manufacturing to facilitate the environment friendly alternatives like Biodegradable polymers & plastics.

Your company remains optimistic about the continued development of the potential across the offering in Renewable Biofuels and Renewable Chemicals & Materials. With supportive policies, technological advancements, and growing market awareness, the Bioenergy and Bio-Manufacturing sector is poised for significant growth and diversification in the future.

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

Standalone Praj	UOM	31-Mar-24	31-Mar-23	Variation	Major reason for variance
Debtors Turnover	Days	87	79	10%	N.A.
Inventory Turnover	Days	69	71	-3%	N.A.
Interest Coverage	Times	N.A.	N.A.	N.A.	N.A.
Current Ratio	Times	1.60	1.45	10%	N.A.
Debt Equity ratio	Times	N.A.	N.A.	N.A.	N.A.
Operating Profit Margin	%	11.25%	9.19%	22%	N.A.
Net Profit Margin	%	9.38%	7.54%	24%	N.A.
RONW	%	24.10%	24.09%	0%	N.A.

#### Forward Looking Statements:

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

## ANNEXURE 2 CSR REPORT

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

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

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

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

To ensure this, PIL shall undertake the following activities:

Environment sustainability and Rural development.

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

#### **Implementation of CSR Activities**

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

Majority of the CSR funds is expended through Praj Foundation.

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

#### **Monitoring of CSR Activities**

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

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

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

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

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

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

**2. The Composition of the CSR Committee:-**

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

\* ceased to be the member of the committee w.e.f. 10th August, 2023

\*\* appointed as the member of the committee w.e.f. 31st October, 2023

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

Composition of CSR Committee:

<https://www.praj.net/wp-content/uploads/2022/12/composition-of-csr-committee-2024.pdf>

CSR Policy:

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

CSR Programmes:

<https://www.praj.net/wp-content/uploads/2023/09/Praj-Industries-Ltd-CSR-Annual-Action-Plan-for-FY-2023-24.pdf>

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

Not applicable

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

Nil

**6. Average net profit of the Company for last three financial years:- ₹11,738.79 Lakhs**

- 7.
- (a) Two percent of average net profit of the company as per section 135(5) : ₹374.78 Lakhs
  - (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil
  - (c) Amount required to be set off for the financial year if any : Nil
  - (d) Total CSR obligation for the financial year (7a+7b-7c) : ₹374.78 Lakhs

8. (a) CSR amount spent for the financial year : ₹422.29 Lakhs

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
4,22,28,546/-	Nil	N.A.	Nil	Nil	N.A.

(b) Details of CSR amount spent against ongoing projects for the financial year 2023-24:

Sr. No.	Name of the project	Cl. No	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (In ₹)	Amount spent in current financial year (In ₹)	Amount transferred to unspent CSR	Mode of implementation Direct (Yes/No)	Mode of implementation through implementing agency	
				State	District						Name	CSR Registration no.
1	Preventive health care among Tribal women in Ambegaon Taluka	I	No	Maha-rash-tra	Pune	3 years	7,07,800	7,07,800	Nil	No	Praj Foundation	CSR00001195
2	Preventive health care among Tribal women in Maval Taluka	I	No	Maha-rash-tra	Pune	3 years	8,00,800	8,00,800	Nil	No	Praj Foundation	CSR00001195
3	Preventive health care among Tribal women in Akkalkuwa Taluka	I	No	Maha-rash-tra	Nandur-bar	3 years	12,91,320	12,91,320	Nil	No	Praj Foundation	CSR00001195
4	Providing financial assistance for creating livelihood opportunities in rural areas through Entrepreneurship Development	II	Yes	Maha-rash-tra	All districts in Maha-rashtra	3 years	16,18,540	16,18,540	Nil	No	Praj Foundation	CSR00001195
5	Enhancing Foundational Literacy & Numeracy in Maval Taluka	II	No	Maha-rash-tra	Pune	3 years	14,57,500	14,57,500	Nil	No	Praj Foundation	CSR00001195
6	Enhancing Foundational Literacy & Numeracy in Indapur Taluka	II	No	Maha-rash-tra	Pune	2 years	20,00,000	20,00,000	Nil	No	Praj Foundation	CSR00001195
7	Enhancing Foundational Literacy & Numeracy in Ambegaon Taluka	II	No	Maha-rash-tra	Pune	2 years	24,00,000	24,00,000	Nil	No	Praj Foundation	CSR00001195
8	Enhancing Foundational Literacy & Numeracy in Ashram Schools in Purandar Taluka	II	No	Maha-rash-tra	Pune	3 years	8,76,696	8,76,696	Nil	No	Praj Foundation	CSR00001195



Sr. No.	Name of the project	Cl. No	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (In ₹)	Amount spent in current financial year (In ₹)	Amount transferred to unspent CSR	Mode of implementation Direct (Yes/ No)	Mode of implementation-through implementing agency	
				State	District						Name	CSR Registration no.
9	Enhancing Foundational Literacy & Numeracy in Nandurbar District	II	No	Maharashtra	Nandurbar	2 years	16,93,125	16,93,125	Nil	No	Praj Foundation	CSR00001195
10	Career guidance to institutionalized children	II	No	Maharashtra	Pune	2 years	4,09,800	4,09,800	Nil	No	Praj Foundation	CSR00001195
11	Empowerment of tribal population and making them self-reliant	III	Yes	Maharashtra	Palghar	3 years	2,94,000	2,94,000	Nil	No	Praj Foundation	CSR00001195
12	Tree plantation in Koyana-Chandoli corridor	IV	No	Maharashtra	Satara & Kolhapur	3 years	1,12,200	1,12,200	Nil	No	Praj Foundation	CSR00001195
13	Making Cycle friendly Prabhag	IV	No	Maharashtra	Pune	3 years	7,12,000	7,12,000	Nil	No	Praj Foundation	CSR00001195
14	Empowerment of local artisans from Kucchh region	V	Yes	Gujarat	Kandla	2 years	4,00,000	4,00,000	Nil	No	Praj Foundation	CSR00001195
15	Livelihood development among youth	X	No	Maharashtra	Sindhudurg	3 years	5,29,000	5,29,000	Nil	No	Praj Foundation	CSR00001195
							<b>1,53,02,781</b>	<b>1,53,02,781</b>				

(c) **Details of CSR amount spent against other than ongoing projects for the financial year 2023-24:**

Sr. No.	Name of the project	Cl. No.	Local Area (Yes/No)	Name of the project		Amount spent for the project (in ₹)	Mode of implementation Direct (Yes/No)	Mode of implementation-Through implementing agency	
				State.	District.			Name.	CSR registration number.
1	Support for Pre Transplant Dialysis of needy patients	I	Yes	Maharashtra	Pune	50,000	No	Praj Foundation	CSR00001195
2	Support for diagnosis of cancer among needy patients	I	Yes	Maharashtra	Pune	2,00,000	No	Praj Foundation	CSR00001195
3	Support for educational activities	II	Yes	Maharashtra	Pune	5,00,000	No	Praj Foundation	CSR00001195
4	Impact study on learning outcomes	II	No	Maharashtra	Ratnagiri	12,50,000	No	Praj Foundation	CSR00001195
5	Sustainable water resources development at Dongaon Tambe	IV	No	Maharashtra	Ch. Sambhajanagar	21,89,000	No	Praj Foundation	CSR00001195
6	Sustainable water resources development at Tupewadi Tanda	IV	No	Maharashtra	Ch. Sambhajanagar	16,92,000	No	Praj Foundation	CSR00001195
7	Sustainable water resources development at Daregaon	IV	Yes	Maharashtra	Ch. Sambhajanagar	16,87,000	No	Praj Foundation	CSR00001195
8	Sustainable water resources development at Kolhadwasti	IV	Yes	Maharashtra	Pune	6,50,000	No	Praj Foundation	CSR00001195
9	Sustainable water resources development at Satalwadi	IV	Yes	Maharashtra	Pune	22,00,000	No	Praj Foundation	CSR00001195
10	Sustainable water resources development at Ulup	IV	No	Maharashtra	Dharashiv	19,14,000	No	Praj Foundation	CSR00001195

Sr. No.	Name of the project	Cl. No.	Local Area (Yes/No)	Name of the project		Amount spent for the project (in ₹)	Mode of implementation Direct (Yes/No)	Mode of implementation- Through implementing agency	
				State.	District.			Name.	CSR registration number.
11	Sustainable water resources development at Padoli	IV	No	Maharashtra	Dharashiv	10,73,000	No	Praj Foundation	CSR00001195
12	Sustainable water resources development at Varud	IV	No	Maharashtra	Dharashiv	9,22,400	No	Praj Foundation	CSR00001195
13	Traffic control to reduce pollution	IV	Yes	Maharashtra	Pune	3,17,365	No	Praj Foundation	CSR00001195
14	Indian Institute of Science Education & Research (IISER)	II	Yes	Maharashtra	Pune	10,99,000	Yes	-	CSR00006468
15	Indian Institute of Science Education & Research (IISER)	IX	Yes	Maharashtra	Pune	19,82,000	Yes	-	CSR00006468
16	Institute of Chemical Technology	IX	Yes	Maharashtra	Mumbai	52,00,000	Yes	-	CSR00006632
17	IIT Bombay	IX	Yes	Maharashtra	Mumbai	10,00,000	Yes	-	CSR00007536
18	Marathi Vigyan Parishad	II	Yes	Maharashtra	Pune	30,00,000	Yes	-	
						<b>2,69,25,765</b>			

(d) Amount spent on Administrative Overheads : Nil

(e) Amount spent on Impact Assessment, if applicable : Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) ₹422.29 lakhs

(g) Excess amount for set off: Nil

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

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

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) : Not Applicable

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

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

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

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

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

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

Parimal Chaudhari  
Chairperson - CSR Committee  
(DIN: 00724911)

Place: Pune  
Date: 30<sup>th</sup> May, 2024

## ANNEXURE 3 REPORT ON CORPORATE GOVERNANCE

### 1. Company's philosophy on Code of Governance:

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

### 2. Board of Directors:

#### a) Composition and Category of Directors:

The Composition of the Board of your Company is a fair mix of Executive, Non- Executive, and Independent Directors, which is appropriate for the size and operations of your Company and is compliant with regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the **Listing Regulations**") and sections 149 and 152 of the Companies Act, 2013 ("the **Act**"). The Board is headed by the Executive Chairman, Dr. Pramod Chaudhari, who is also the Promoter Director. The strength of the Board was eleven (11) Directors as on 31<sup>st</sup> March, 2024, comprising of three (3) Executive Directors and eight (8) Non-Executive Directors, out of which seven (7) were Independent Directors.

Due to completion of tenure of two Independent Directors, as on the date of the report i.e. 30<sup>th</sup> May, 2024, the Board comprises of nine (9) Directors, comprising of three (3) Executive Directors and six (6) Non-Executive Directors, out of which five (5) are Independent Directors. As on the date of this report, all Directors of the Company meet the criteria of maximum number of Directorship as laid down in Section 165 of the Act and the Listing Regulations.

#### Details of Skills / Expertise / Competence of Board of Directors:

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

Dr. Pramod Chaudhari	Global outlook, Strategic Planning, Business Knowledge, Policy Shaping and industry advocacy, Risk Management, Human Capital Management, Sustainability, and Environment, Social and Governance (ESG)
Mr. Shishir Joshipura	Business Knowledge, Strategic Planning, Global outlook, Policy Shaping and industry advocacy, Risk Management, Human Capital Management, Sustainability and Environment, Social and Governance (ESG)
Mr. Sachin Raole	Finance and allied fields, Banking, Risk Management, Corporate Governance, Human Capital Management, Business Knowledge, Sustainability, Environment, Social and Governance (ESG) and Corporate Social Responsibility (CSR)
Mr. Berjis Desai@	Strategic Planning, Mergers and Acquisitions (M&A) and Compliances, Regulatory reforms, Risk Management, Policy Shaping and Industry Advocacy, Global outlook, Sustainability and Environment, Social and Governance (ESG)
Ms. Parimal Chaudhari	Human Capital Management, Strategic Planning, Global outlook, Sustainability, Environment, Social and Governance (ESG) and Corporate Social Responsibility (CSR)
Mr. Sivaramakrishnan Iyer@	Strategic Planning, Risk Management, Policy Shaping and Industry Advocacy, Global Outlook
Dr. Shridhar Shukla	Strategic Planning, Global outlook, Information Technology Reforms, Policy Shaping and Industry Advocacy, Sustainability and Environment, Social and Governance (ESG), Digital skills such as Search Engine Marketing (SEM), Data analytics

Mr. Suhas Baxi	Business Knowledge, Strategic Planning, Global outlook, Sustainability and Environment, Social and Governance (ESG)
Ms. Mrunalini Joshi*	Business Knowledge, Global outlook, Policy Shaping and Industry Advocacy, Sustainability and Environment, Social and Governance (ESG)
Ms. Rujuta Jagtap#	Business Knowledge, Global outlook, Policy Shaping and Industry Advocacy, Sustainability and Environment, Social and Governance (ESG)
Mr. Vinayak Deshpande\$	Global outlook, Strategic Planning, Business Knowledge, Policy Shaping and Industry Advocacy, Risk Management, Human Capital Management, Sustainability, and Environment, Social and Governance (ESG)
Mr. Utkarsh Palnitkar\$	Global outlook, Strategic Planning, Finance and allied fields, Banking, Business Knowledge, Policy Shaping and Industry Advocacy, Risk Management, Human Capital Management, Sustainability and Environment, Social and Governance (ESG)

@ Ceased to be the Director of the Company w.e.f. 31<sup>st</sup> March, 2024

\* Ceased to be the Director of the Company w.e.f. 10<sup>th</sup> August, 2023

# appointed as an Independent Director of the Company w.e.f. 21<sup>st</sup> August, 2023

\$ appointed as the Independent Directors of the Company w.e.f. 31<sup>st</sup> March, 2024

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

The following table gives the Name of the Director, Nature of Directorship, attendance of the Director at the Board meetings, whether they have attended the last AGM, number of other Directorships held in Indian Public Limited Companies (other than the Company) and Chairmanship / Membership in Board Committees of Public Companies as at 31<sup>st</sup> March, 2024.

Name of Director	Nature of Directorship	Board Meetings attended during the year	Whether attended last AGM held on 26 <sup>th</sup> July, 2023	Number of Directorships in Public Limited Companies <sup>6</sup> (excluding Praj Industries Ltd.)	Number of Committee Memberships <sup>7</sup> (excluding Praj Industries Ltd.)	
					Chairman	Member
Dr. Pramod Chaudhari <sup>1</sup> (DIN: 00196415)	Executive Chairman	4	Yes	2	Nil	Nil
Mr. Shishir Joshipura (DIN: 00574970)	CEO & Managing Director	4	Yes	3	Nil	Nil
Mr. Sachin Raole (DIN: 00431438)	CFO & Director-Resources	4	Yes	2	Nil	Nil
Mr. Berjis Desai <sup>2</sup> (DIN: 00153675)	Non-Executive and Independent Director	4	Yes	6	Nil	2
Ms. Parimal Chaudhari <sup>1</sup> (DIN: 00724911)	Non-Executive Director	3	Yes	Nil	Nil	Nil
Mr. Sivaramakrishnan S. Iyer <sup>2</sup> (DIN: 00503487)	Non-Executive and Independent Director	4	Yes	5	1	1

Name of Director	Nature of Directorship	Board Meetings attended during the year	Whether attended last AGM held on 26 <sup>th</sup> July, 2023	Number of Directorships in Public Limited Companies <sup>6</sup> (excluding Praj Industries Ltd.)	Number of Committee Memberships <sup>7</sup> (excluding Praj Industries Ltd.)	
					Chairman	Member
Dr. Shridhar Shukla (DIN: 00007607)	Non-Executive and Independent Director	4	Yes	1	Nil	1
Mr. Suhas Baxi (DIN: 00649689)	Non-Executive and Independent Director	4	Yes	Nil	Nil	Nil
Ms. Mrunalini Joshi <sup>3</sup> (DIN: 00957617)	Non-Executive and Independent Director	3	Yes	1	Nil	1
Ms. Rujuta Jagtap <sup>4</sup> (DIN: 00861890)	Non-Executive and Independent Director	1	N.A.	Nil	Nil	Nil
Mr. Vinayak Deshpande <sup>5</sup> (DIN: 00036827)	Non-Executive and Independent Director	N.A.	N.A.	5	Nil	3
Mr. Utkarsh Palnitkar <sup>5</sup> (DIN:00170004)	Non-Executive and Independent Director	N.A.	N.A.	Nil	Nil	Nil

- 1 Dr. Pramod Chaudhari and Ms. Parimal Chaudhari are spouse. None of the other Directors is related to any other director.
- 2 ceased to be the Directors of the Company w.e.f. 31<sup>st</sup> March, 2024.
- 3 ceased to be the Director of the Company w.e.f. 10<sup>th</sup> August, 2023.
- 4 appointed as an Independent Director of the Company w.e.f. 21<sup>st</sup> August, 2023.
- 5 appointed as Independent Directors of the Company w.e.f. 31<sup>st</sup> March, 2024.
- 6 excludes private (which are not holding or subsidiary of Public Companies), foreign Companies & Section 8 Companies.
- 7 Memberships / Chairmanship of Audit Committee and Stakeholders' Relationship Committee of Public Companies.

Information as required under the Listing Regulations is furnished to the Board from time to time.

**The following table gives the names of the listed companies where the Directors of the Company are Directors and the category of their respective Directorships as on 31<sup>st</sup> March, 2024.**

Sr. No.	Name of the Director	Name of Listed Companies in which Director holds Directorship	Category of Directorship in Listed Companies
1.	Dr. Pramod Chaudhari	Praj Industries Ltd.	Executive Chairman (Executive Director)
2.	Mr. Shishir Joshipura	Praj Industries Ltd.	CEO & Managing Director (Executive Director)
3.	Mr. Sachin Raole	Praj Industries Ltd.	CFO & Director – Resources (Executive Director)

Sr. No.	Name of the Director	Name of Listed Companies in which Director holds Directorship	Category of Directorship in Listed Companies
4.	Mr. Berjis Desai	Praj Industries Ltd.	Independent Director
		Chambal Fertilizers and Chemicals Ltd.	Independent Director
		Star Health and Allied Insurance Company Ltd.	Independent Director
		Jubilant Food Works Ltd.	Independent Director
		Man Infraconstruction Ltd.	Non-Executive Chairman, Non-Independent Director
5.	Mr. Sivaramakrishnan S. Iyer	The Great Eastern Shipping Company Ltd.	Non-Executive Non-Independent Director
		Hikal Ltd.	Independent Director
		Praj Industries Ltd.	Independent Director
		Phoenix Mills Ltd.	Independent Director
6.	Ms. Parimal Chaudhari	Aptech Ltd.	Independent Director
		Crest Ventures Ltd.	Independent Director
		Praj Industries Ltd.	Non-Executive Woman Director
7.	Ms. Mrunalini Joshi	Praj Industries Ltd.	Independent Woman Director
8.	Dr. Shridhar Shukla	Praj Industries Ltd.	Independent Director
9.	Mr. Suhas Baxi	Praj Industries Ltd.	Independent Director
10.	Ms. Rujuta Jagtap	Praj Industries Ltd.	Independent Woman Director
		Praj Industries Ltd.	Independent Director
11.	Mr. Vinayak Deshpande	Praj Industries Ltd.	Independent Director
		Kirloskar Brothers Ltd.	Independent Director
		Kennametal India Ltd.	Independent Director
12.	Mr. Utkarsh Palnitkar	Voltas Ltd.	Non-Executive Non-Independent Director
		Praj Industries Ltd.	Independent Director

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

During the financial year ended on 31<sup>st</sup> March, 2024, four (4) Board Meetings were held on 25<sup>th</sup> May, 2023, 26<sup>th</sup> July, 2023, 31<sup>st</sup> October, 2023 and 1<sup>st</sup> February, 2024.

**d) Number of shares and convertible instruments held by Non-Executive Directors as on 31<sup>st</sup> March, 2024:**

Name of Director	Number of Equity Shares held	Stock Options outstanding	Grant Price per option (₹)	Last date for conversion of options
Mr. Berjis Desai	Nil	Nil	N. A.	N. A.
Ms. Parimal Chaudhari	1,44,00,000	Nil	N. A.	N. A.
Mr. Sivaramakrishnan S. Iyer	20,000	Nil	N. A.	N. A.
Dr. Shridhar Shukla	Nil	Nil	N. A.	N. A.
Mr. Suhas Baxi	Nil	Nil	N. A.	N. A.
Ms. Rujuta Jagtap	Nil	Nil	N. A.	N. A.
Mr. Vinayak Deshpande	Nil	Nil	N. A.	N. A.
Mr. Utkarsh Palnitkar	Nil	Nil	N. A.	N. A.



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

The Board of Directors of the Company has adopted familiarization program for Independent Directors. The details of such program are posted on the Company's website at: <https://www.praj.net/wp-content/uploads/2024/06/familiriasation-programme-for-independent-directors-during-fy-2023-24.pdf>. This programme aims to provide insights into the Company's Business to enable the Independent Directors to understand its business in depth and contribute significantly to the Company.

**f) Declaration from Independent Directors:**

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

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

In the opinion of the Board of Directors, the Independent Directors fulfil the conditions specified in the Listing Regulations and are independent of the Management.

**3. Committees of the Board:**

- A. Audit Committee;
- B. Nomination and Remuneration Committee;
- C. Stakeholders' Relationship Committee;
- D. Risk Management Committee;
- E. Corporate Social Responsibility Committee;
- F. Share Transfer Committee;
- G. Compensation & Share Allotment Committee.

[Due to change in the Board Members, these Committees were re-constituted w.e.f.1<sup>st</sup> April, 2024.]

**A. Audit Committee:**

**i. Terms of Reference:**

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

**ii. Composition:**

As on 31<sup>st</sup> March, 2024, the Audit Committee of the Company comprised of two (2) Independent Non-Executive Directors namely Mr. Berjis Desai (Chairman of the Committee), Mr. Sivaramakrishnan S. Iyer and one (1) Executive Director namely Mr. Sachin Raole. However, as on the date of the report i.e. 30<sup>th</sup> May, 2024, the Audit Committee comprises of three (3) Independent Non-Executive Directors namely Mr. Utkarsh Palnitkar (Chairman of the Committee), Dr. Shridhar Shukla, Mr. Vinayak Deshpande and one (1) Executive Director namely Mr. Sachin Raole. The Composition of the Audit Committee meets the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations as amended.

**iii. Meetings:**

This Committee met four (4) times during the financial year 2023-24 i.e. on 25<sup>th</sup> May 2023, 26<sup>th</sup> July, 2023, 31<sup>st</sup> October, 2023 and 1<sup>st</sup> February, 2024. The time gap between any two (2) meetings was less than one hundred twenty (120) days.

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

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

\* ceased to be the Member w.e.f. 10<sup>th</sup> August, 2023

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

The Chairman of the Audit Committee attended the Annual General Meeting (“AGM”) of the Company held on 26<sup>th</sup> July, 2023 to respond to members’ queries.

## B. Nomination & Remuneration Committee (“NRC”):

### i. Terms of Reference:

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

### ii. Composition:

As on 31<sup>st</sup> March, 2024, the NRC of the Company comprised of three (3) Independent Non-Executive Directors namely Mr. Berjis Desai (Chairman of the Committee), Mr. Sivaramakrishnan S. Iyer and Dr. Shridhar Shukla and one Executive Director, Dr. Pramod Chaudhari. However, as on the date of the report i.e. 30<sup>th</sup> May, 2024, the NRC comprises of three (3) Independent Non-Executive Directors namely Mr. Vinayak Deshpande (Chairman of the Committee), Dr. Shridhar Shukla, Mr. Utkarsh Palnitkar and one (1) Executive Director namely Dr. Pramod Chaudhari.

### iii. Meetings:

This Committee met once during the financial year 2023-24 i.e. on 25<sup>th</sup> May, 2023.

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

Name of Director	No. of Meetings entitled to attend	Meetings attended
Mr. Berjis Desai	1	1
Dr. Pramod Chaudhari	1	1
Mr. Sivaramakrishnan S. Iyer	1	1
Dr. Shridhar Shukla	1	1

The Company Secretary acts as the Secretary to the NRC. The Chairman of the NRC attended the AGM of the Company held on 26<sup>th</sup> July, 2023.

### iv. Performance Evaluation Criteria for Independent Directors:

Necessary information in this regard has been included in Directors’ Report, which forms part of this Annual Report.

**v. Remuneration Policy:**

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

The Policy is displayed on Company's website as detailed below:

<https://www.praj.net/wp-content/uploads/2021/11/nomination-and-remuneration-policy.pdf>

**(a) Remuneration of Executive Directors:**

The aggregate value of Salary & Perquisites including commission to the Executive Directors for the year ended 31<sup>st</sup> March, 2024 as follows:

(₹ in Mn.)

Sr. No.	Name of the Director	Salary	Perquisites	Commission & Variable pay	Total
1.	Dr. Pramod Chaudhari	80.344	0.800	33.660	114.804
2.	Mr. Shishir Joshipura	47.940	40.673	20.874	109.487
3.	Mr. Sachin Raole	19.083	13.102	12.888	45.073

In addition to this, the Executive Directors are also entitled to gratuity and encashment of leave, as per the rules of the Company.

The current tenure of office of Dr. Pramod Chaudhari, Executive Chairman is for a period of 29 months w.e.f 1<sup>st</sup> August, 2022 till 31<sup>st</sup> December, 2024. As per agreement, Severance Fee is restricted to 36 months' salary. Notice period is not applicable.

The current tenure of office of Mr. Sachin Raole, CFO and Director – Resources is for a period of 5 years w.e.f 1<sup>st</sup> August, 2022 till 31<sup>st</sup> July, 2027. As per agreement, notice period is six (6) months.

Mr. Shishir Joshipura was re-appointed as a CEO & Managing Director for a period of 27 months w.e.f 1<sup>st</sup> April, 2023 till 30<sup>th</sup> June, 2025. As per agreement, notice period is six (6) months.

**(b) Compensation to Non – Executive Directors:**

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

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

The Commission to Non – Executive Directors for the financial year 2023-24 is ₹ 13.500Mn. The details are as follows:

(₹ in Mn.)

Sr. No.	Name of the Non-executive Director	Commission
1.	Mr. Berjis Desai	3.750
2.	Ms. Parimal Chaudhari	3.000
3.	Mr. Sivaramakrishnan Iyer	3.400
4.	Ms. Mrunalini Joshi	0.500
5.	Dr. Shridhar Shukla	1.250
6.	Mr. Suhas Baxi	1.000
7.	Ms. Rujuta Jagtap	0.600
	<b>Total</b>	<b>13.500</b>

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

**C. Stakeholders' Relationship Committee ("SRC"):**

**i. Composition:**

As on 31<sup>st</sup> March, 2024 the SRC of the Board comprised of three (3) Directors namely Mr. Sivaramakrishnan S. Iyer, Non- Executive Independent Director (Chairman of the Committee), Mr. Sachin Raole, Executive Director and Ms. Parimal Chaudhari Non-Executive Non-Independent Director. However, as on the date of the report, i.e. 30<sup>th</sup> May, 2024 the SRC comprises of three (3) Directors namely Mr. Vinayak Deshpande, Non-Executive Independent Director (Chairman of the Committee), Mr. Sachin Raole, Executive Director and Ms. Parimal Chaudhari, Non-Executive Non-Independent Director.

**ii. Name and Designation of Compliance Officer:**

Mr. Dattatray Nimbolkar was Compliance Officer till 31<sup>st</sup> December, 2023. Due to his retirement, Mr. Anant Bavare has been appointed as Compliance Officer w.e.f. 1<sup>st</sup> January, 2024.

**iii. Number of Complaints from Investors:**

During the financial year ended on 31<sup>st</sup> March, 2024, the Company received 2 complaints which were resolved expeditiously. No investors' complaint is pending as on 31<sup>st</sup> March, 2024.

**iv. Meetings:**

The SRC held four (4) meetings during the financial year ended on 31<sup>st</sup> March, 2024 on 25<sup>th</sup> May, 2023, 26<sup>th</sup> July, 2023, 31<sup>st</sup> October, 2023 and 1<sup>st</sup> February, 2024.

**Attendance of each Member at the SRC meetings held during the year:**

Name of Director	No. of Meetings entitled to attend	Meetings attended
Mr. Sivaramakrishnan S. Iyer	4	4
Ms. Parimal Chaudhari	4	3
Mr. Sachin Raole	4	4

The Company Secretary acts as Secretary of Stakeholders' Relationship Committee.

**D. Risk Management Committee ("RMC"):**

**i. Terms of Reference:**

- To evaluate risks related to cyber security and ensure that appropriate procedures are in place to mitigate these risks in timely manner.
- To review and approve the Enterprise Risk Management Framework (ERMF) of the Company.

**ii. Composition:**

Pursuant to and in compliance with the provisions of Regulation 21 of the Listing Regulations, the Company has constituted the RMC. As on 31<sup>st</sup> March, 2024, the RMC comprised of five (5) Directors namely, Dr. Shridhar Shukla, Non-Executive Independent Director, (Chairman of the Committee), Mr. Shishir Joshipura, (Executive Director), Mr. Sachin Raole, (Executive Director), Mr. Sivaramakrishnan Iyer, (Non-Executive, Independent Director) and Mr. Suhas Baxi, (Non-Executive -Independent Director). However, as on the date of the report, i.e. 30<sup>th</sup> May, 2024 the RMC comprises of five (5) Directors namely Dr. Shridhar Shukla, Non-Executive Independent Director, (Chairman of the Committee), Mr. Shishir Joshipura, (Executive Director), Mr. Sachin Raole, (Executive Director), Mr. Suhas Baxi, (Non-Executive -Independent Director) and Mr. Utkarsh Palnitkar, (Non-Executive -Independent Director).

**iii. Meetings:**

This Committee met thrice during the financial year 2023-24 i.e. on 25<sup>th</sup> May, 2023, 4<sup>th</sup> July, 2023 and 2<sup>nd</sup> January, 2024.

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

Name of Director	No. of Meetings entitled to attend	Meetings attended
Dr. Shridhar Shukla	3	3
Mr. Shishir Joshipura	3	3
Mr. Sachin Raole	3	3
Mr. Sivaramakrishnan S. Iyer	3	3
Ms. Mrunalini Joshi*	2	2
Mr. Suhas Baxi	3	3

\* ceased to be the member of the committee w.e.f. 10<sup>th</sup> August, 2023.

The Company Secretary acts as the Secretary of the RMC.

**E. Corporate Social Responsibility Committee ("CSR committee"):****i. Terms of Reference:**

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act.
- Recommend the amount of expenditure to be incurred on the activities referred to in Section 135(3) of the Act.
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.

**ii. Composition:**

As on 31<sup>st</sup> March, 2024, the CSR Committee of the Board comprised of three (3) Directors namely Ms. Parimal Chaudhari (Non-Executive Non-Independent Director, Chairperson of the Committee), Mr. Sivaramakrishnan Iyer (Non-Executive, Independent Director) and Ms. Rujuta Jagtap (Non-Executive, Independent Director). However, as on the date of the report, i.e. 30<sup>th</sup> May, 2024, the CSR Committee comprises of three (3) Directors namely Ms. Parimal Chaudhari (Non-Executive Non-Independent Director, Chairperson of the Committee), Mr. Sachin Raole (Executive Director) and Ms. Rujuta Jagtap (Non-Executive, Independent Director).

**iii. Meetings:**

The Committee met three (3) times during the financial year 2023-24 i.e. on 25<sup>th</sup> May, 2023, 26<sup>th</sup> July, 2023 and 1<sup>st</sup> February, 2024.

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

Name of Director	No. of Meetings entitled to attend	Meetings attended
Ms. Parimal Chaudhari	3	2
Mr. Sivaramakrishnan S. Iyer	3	3
Ms. Mrunalini Joshi*	2	2
Ms. Rujuta Jagtap§	1	1

\* ceased to be the member of the committee w.e.f. 10<sup>th</sup> August, 2023

§ appointed as the member of the committee w.e.f. 31<sup>st</sup> October, 2023

The Company Secretary acts as Secretary of CSR Committee.

**F. Share Transfer Committee:**

**i. Composition:**

As on 31<sup>st</sup> March, 2024, the Share Transfer Committee of the Board comprised of three (3) Directors namely Mr. Sachin Raole, Executive Director, (Chairman of the Committee), Ms. Parimal Chaudhari, (Non-Executive Non-Independent Director) and Mr. Sivaramakrishnan Iyer, (Non-Executive, Independent Director). However, as on the date of the report, i.e. 30<sup>th</sup> May, 2024 the CSR Committee comprises of three (3) Directors namely Mr. Sachin Raole, Executive Director, (Chairman of the Committee), Ms. Parimal Chaudhari, (Non-Executive Non-Independent Director) and Mr. Shishir Joshipura, (Executive Director).

**ii. Meetings:**

This Committee met two (2) times during the financial year 2023-24 i.e. on 25<sup>th</sup> May, 2023 and 26<sup>th</sup> July, 2023.

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

Name of Director	No. of Meetings entitled to attend	Meetings attended
Mr. Sachin Raole	2	2
Ms. Parimal Chaudhari	2	1
Mr. Sivaramakrishnan S. Iyer	2	2

The Company Secretary acts as Secretary of the Share Transfer Committee.

**G. Compensation and Share Allotment Committee:**

**i. Composition:**

As on 31<sup>st</sup> March, 2024, the Compensation and Share Allotment Committee of the Board comprised of five (5) Directors namely, Mr. Sachin Raole, Executive Director, (Chairman of the Committee), Dr. Pramod Chaudhari (Executive Chairman), Mr. Berjis Desai (Non-Executive Independent Director), Mr. Suhas Baxi (Non-Executive Independent Director) and Ms. Rujuta Jagtap (Non-Executive Independent Director). However, as on the date of the report, i.e. on 30<sup>th</sup> May, 2024, the Compensation & Share Allotment Committee comprises of five (5) Directors namely Mr. Vinayak Deshpande, Non-Executive Independent Director, (Chairman of the Committee), Dr. Pramod Chaudhari (Executive Director), Mr. Sachin Raole (Executive Director), Mr. Suhas Baxi (Non-Executive Independent Director) and Ms. Rujuta Jagtap (Non-Executive Independent Director).

**ii. Meetings:**

This Committee met two times during the financial year 2023-24 i.e. on 25<sup>th</sup> May, 2023 and 8<sup>th</sup> December, 2023.

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

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

\* ceased to be the member of the committee w.e.f. 10<sup>th</sup> August, 2023

\$ appointed as the member of the committee w.e.f. 31<sup>st</sup> October, 2023

The Company Secretary acts as Secretary of Compensation and Share Allotment Committee.

#### 4. General Body Meetings:

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

Year	Venue	Date & Time	Special Resolutions passed
2022-23	Through video conferencing	37 <sup>th</sup> AGM on 26 <sup>th</sup> July, 2023 at 10.00 a.m.	i) To consider and approve re-appointment of Dr. Shridhar Shukla (DIN: 00007607) as an Independent Director of the Company. ii) To approve amendments in Articles of Association of the Company.
2021-22	Through video conferencing	36 <sup>th</sup> AGM on 4 <sup>th</sup> August, 2022 at 10.00 a.m.	i) To consider and approve extension of appointment of Dr. Pramod Chaudhari (DIN: 00196415) as Executive Chairman of the Company and to fix his remuneration. ii) To accord approval to Board to borrow money in excess of Paid-up-capital & Free reserves.
2020-21	Through video conferencing	35 <sup>th</sup> AGM on 11 <sup>th</sup> August, 2021 at 10.00 a.m.	To consider and approve increase in remuneration, if any, of Executive Directors of the Company for the financial years 2021/22 and 2022/23, in excess of limits specified under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

##### ii. Postal Ballot:

During the financial year 2023-24, the Company sought the approval of the shareholders by way of Postal Ballot on the following Special Resolution:

Sr. No.	Date of Postal Ballot Notice	Special Resolution passed	Voting Period
1.	12 <sup>th</sup> October, 2023	Appointment of Ms. Rujuta Jagtap (DIN: 00861890) as a Non-Executive Director, not liable to retire by rotation and as an Independent Director of the Company to hold office for a period of three (3) years from 21 <sup>st</sup> August 2023 to 20 <sup>th</sup> August 2026.	The e-voting commenced on Thursday, 19 <sup>th</sup> October, 2023 at 9:00 a.m. IST and ended on Friday, 17 <sup>th</sup> November, 2023 at 5:00 p.m. IST.

The Board of Directors had appointed Mr. Vikas Khare (Membership No.: 3541, COP: 2107), partner of KANJ & CO. LLP, Practicing Company Secretaries, as the Scrutinizer for conducting the above Postal Ballot in a fair and transparent manner. The Scrutinizer submitted his report on 21<sup>st</sup> November, 2023. The details of e-voting on the aforementioned resolution are provided hereunder:

Sr. No.	Special Resolution passed	Voted in favour of the resolution		Voted against the resolution	
		No. of votes cast	% of total number of valid votes cast	No. of votes cast	% of total number of valid votes cast
1.	Appointment of Ms. Rujuta Jagtap (DIN: 00861890) as a Non-Executive Director, not liable to retire by rotation and as an Independent Director of the Company to hold office for a period of three (3) years from 21 <sup>st</sup> August 2023 to 20 <sup>th</sup> August 2026.	9,47,12,810	99.82	1,71,693	0.18

The Special Resolution was passed with requisite majority.

##### Procedure for Postal Ballot

The Postal Ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and General Circular No. 9/2023 dated 25<sup>th</sup> September, 2023 issued by the Ministry of Corporate Affairs.



**5. Means of Communication:**

- a) **Financial Results:** The quarterly/half yearly/annual financial results of the Company are communicated to the Stock Exchanges immediately after they are considered and approved by the Board of Directors and are published in widely circulating dailies such as Financial Express in English and in Loksatta in Marathi. These results are also made available on the Company's website on [www.praj.net](http://www.praj.net).
- b) **News Release, Presentations etc.:** Official news release, detailed presentations made to media, analysts etc. are displayed on the Company's website [www.praj.net](http://www.praj.net). Official Media Releases are sent to the Stock Exchanges.
- c) **Annual Report:** Annual Report containing, inter alia, the Directors' Report, Management Discussion and Analysis Report, Corporate Governance Report, Business Responsibility and Sustainability Report, Auditors' Report and Audited Financial Statements and other important information is circulated amongst members and others entitled thereto.
- d) **Website:** The Company's website [www.praj.net](http://www.praj.net) contains a dedicated section "Investors Lounge" where information for shareholders is available. The Annual Reports of the Company are also available on the website in a downloadable form.

**6. General Shareholder Information:**

**i. General information:**

<b>Day, Date and Time of 38<sup>th</sup> AGM</b>	<b>Thursday, the 25<sup>th</sup> July, 2024 at 10.00 a.m.</b>
<b>Venue of 38<sup>th</sup> AGM</b>	As the AGM is to be held through VC / OAVM, the deemed venue shall be considered as the Registered Office of the Company
<b>Financial Year</b>	1 <sup>st</sup> April, 2023 to 31 <sup>st</sup> March, 2024
<b>Dividend Payment Date</b>	By 23 <sup>rd</sup> August, 2024, subject to approval of the members
<b>Corporate Identification Number (CIN)</b>	L27101PN1985PLC038031
<b>ISIN</b>	INE074A01025
<b>Registered Office Address</b>	"Praj Tower", S. No. 274 & 275/2, Bhumkar Chowk-Hinjewadi Road, Hinjewadi, Pune-411057.

**ii. Stock / Scrip Code / ISIN / CIN /Address of Stock Exchanges:**

<b>Name and Address of the Stock Exchange</b>	<b>Stock Code</b>
<b>National Stock Exchange Ltd. (NSE)</b> Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	PRAJIND
<b>BSE Ltd. (BSE)</b> Phiroze Jeejeebhoy Towers, 25 <sup>th</sup> Floor, Dalal Street, Mumbai – 400 001	522205

**iii. Listing fees:**

The Annual Listing Fees for 2024-2025 have been paid to both the Stock Exchanges.

**iv. Financial Calendar:**

For the year ended 31<sup>st</sup> March, 2024 financial results were announced on:

Results for the quarter ended June 2023	26 <sup>th</sup> July, 2023
Results for the quarter ended September 2023	31 <sup>st</sup> October, 2023
Results for the quarter ended December 2023	1 <sup>st</sup> February, 2024
Results for financial year ended March 2024	30 <sup>th</sup> May, 2024

For the year ending on 31<sup>st</sup> March, 2025, the tentative announcement of financial results are:

Results for the quarter ending June 2024	Last week of July 2024 / First week of August 2024
Results for the quarter ending September 2024	Last week of October 2024 / First week of November 2024
Results for the quarter ending December 2024	Last week of January 2025 / First week of February 2025
Results for last quarter ending March 2025	Last week of May 2025

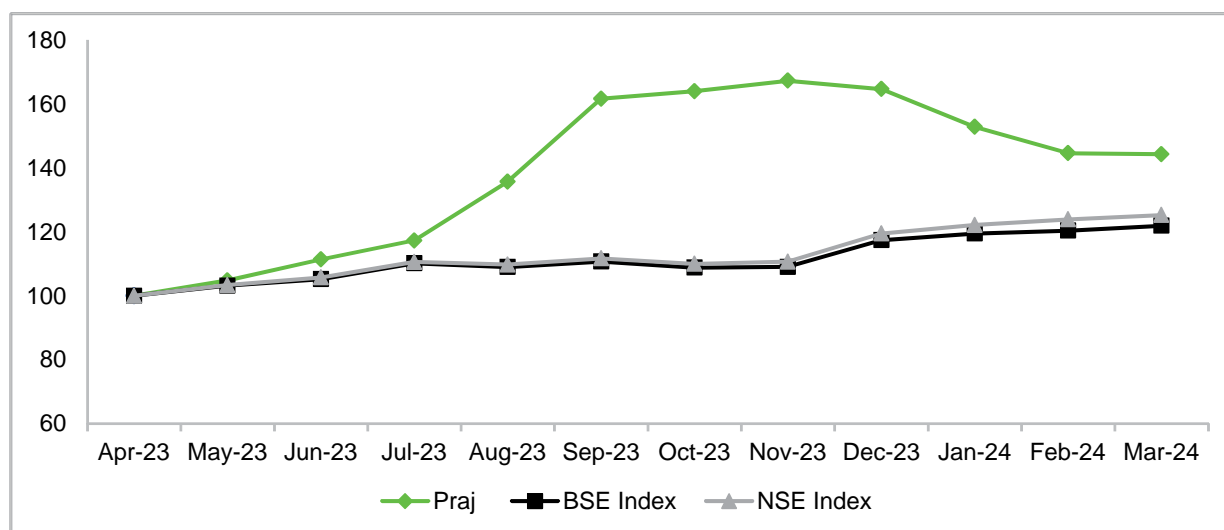
**v. Stock Market Price Data:**

**Monthly high / low during the year 2023–2024 on BSE & NSE:**

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2023	359.15	333.60	359.00	334.00
May 2023	398.00	345.05	395.95	345.15
June 2023	401.00	368.55	401.00	368.55
July 2023	435.00	365.85	435.45	365.95
August 2023	514.00	416.95	514.00	416.35
September 2023	610.00	486.75	609.80	486.85
October 2023	614.00	502.75	614.65	502.60
November 2023	650.30	525.00	650.50	522.85
December 2023	648.95	522.50	649.15	522.60
January 2024	563.00	496.95	562.90	496.65
February 2024	532.70	471.00	532.90	470.95
March 2024	545.85	448.00	545.60	463.00

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

**vi. Performance and Comparison to broad based Indices such as BSE Sensex and Nifty:**



**vii. Registrar and Share Transfer Agent:**

Link Intime India Private Limited  
(Unit: Praj Industries Limited)  
Block No. 202, 2<sup>nd</sup> Floor, Akshay Complex,  
Off Dhole Patil Road, Pune – 411 001  
Tel.: (020) – 26160084, 26161629, Telefax: 020-26163503, Email: [pune@linkintime.co.in](mailto:pune@linkintime.co.in)

**viii. Share Transfer system:**

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

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

**Investor Helpdesk:**

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

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

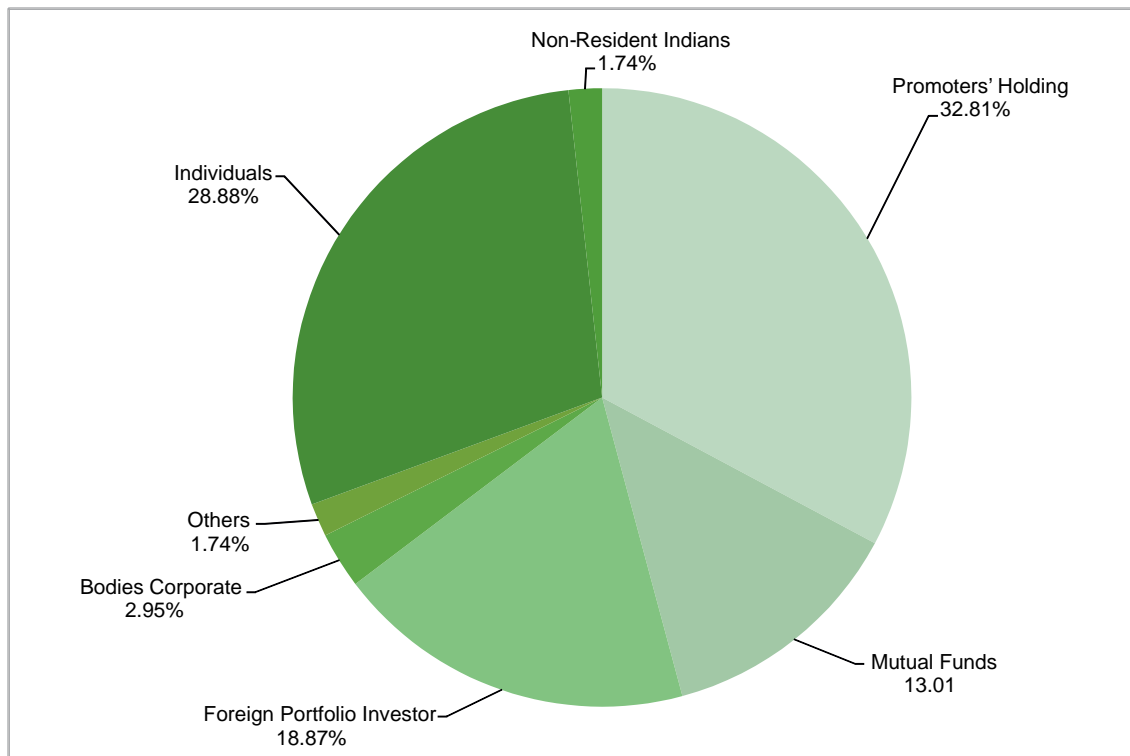
**ix. Distribution of shareholding as on 31<sup>st</sup> March, 2024:**

Shares range	Shareholders	Percentage	Total shares for the range	Percentage
1 - 500	315741	95.29	20838958	11.34
501 - 1000	8339	2.52	6449561	3.51
1001 - 2000	3957	1.19	5951994	3.24
2001 - 3000	1185	0.36	2991361	1.63
3001 - 4000	540	0.16	1941081	1.05
4001 - 5000	383	0.11	1786960	0.97
5001 - 10000	622	0.19	4482020	2.44
10001 and above	588	0.18	139371153	75.82
<b>Total</b>	<b>331355</b>	<b>100.00</b>	<b>183813088</b>	<b>100.00</b>

x. Shareholding Pattern as on 31<sup>st</sup> March, 2024:

Category	31 <sup>st</sup> March, 2024		31 <sup>st</sup> March, 2023	
	No. of shares of ₹ 2/- each	% of holding	No. of shares of ₹ 2/- each	% of holding
Promoters' Holding	60,300,000	32.81	60,300,000	32.82
<b>Non-Promoters' holding:</b>				
Mutual Funds	23,908,070	13.01	11,505,701	6.26
Foreign Portfolio Investor	34,691,345	18.87	32,762,177	17.83
Bodies Corporate	5,419,105	2.95	8,635,736	4.70
Non-Resident Indians	3,196,815	1.74	3,490,483	1.90
Individuals	53,093,104	28.88	61,331,159	33.37
Others	3,204,649	1.74	5,687,832	3.12
<b>TOTAL</b>	<b>183,813,088</b>	<b>100.00</b>	183,713,088	100.00

xi. Pie chart regarding shareholding pattern:



**xii. Dematerialisation of Shares and Liquidity:**

As on 31<sup>st</sup> March, 2024, 99.93% of shareholding was held in dematerialized form with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

**xiii. Physical and Demat Shares:**

	As on 31 <sup>st</sup> March, 2024	Percentage of holding
No. of Shares held by NSDL	96,855,033	52.69
No. of Shares held by CDSL	86,829,352	47.24
Physical Shares	128,703	0.07
<b>Total</b>	<b>183,813,088</b>	<b>100.00</b>

**xiv. Unclaimed Dividend:**

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

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

Financial Year	Type	Date of Declaration	Due date of transfer to IEPF
2016-17	Dividend 2016-17	11/08/2017	15/09/2024
2017-18	Dividend 2017-18	06/08/2018	10/09/2025
2018-19	Interim Dividend 2018-19	28/01/2019	04/03/2026
	Final Dividend 2018-19	22/07/2019	27/08/2026
2019-20	Interim Dividend 2019-20	05/03/2020	10/04/2027
2020-21	Dividend 2020-21	11/08/2021	15/09/2028
2021-22	Dividend 2021-22	04/08/2022	08/09/2029
2022-23	Dividend 2022-23	26/07/2023	30/08/2030

**xv. Plant Locations:**

The Company has its manufacturing facilities at the following places;

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

**xvi. Address for correspondence:**

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

**7. Other Disclosures:**

**a. Materially significant Related Party Transactions:**

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

for review and approval. Members may refer to the notes to the accounts for details of related party transactions. (Please refer Note No. 30 to the Standalone Financial Statements)

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Act read with the Rules framed there under including the Listing Regulations. The policy has been placed on the website of the Company at

<https://www.praj.net/wp-content/uploads/2021/11/praj-policy-on-related-party-transactions.pdf>

**b. Statutory compliance, Penalties and Strictures:**

There has not been any non – compliance, penalties or strictures imposed on the Company by the Stock Exchanges, or any other statutory authority on any matter relating to the Capital Market during the last three years, except fine of ₹10,000/- each paid to BSE Ltd. and National Stock Exchange of India Ltd. regarding non-compliance of Regulation 44(3) of the Listing Regulations during the financial year 2023-24. The Company has filed the waiver application, as the non-compliance was due to interpretation of the Rule 22(9) of the Companies (Management and Administration) Rules, 2014.

**c. Vigil Mechanism/ Whistle Blower Policy:**

In accordance with requirement of the Act as well as the Listing Regulations and amendments made thereto a Vigil Mechanism/Whistle Blower Policy has been adopted by the Board and accordingly a whistle blower policy has been formulated with a view to provide a mechanism for employees of the Company to approach the Audit Committee of the Company to report any grievance. No person has been denied access to the Audit Committee.

**d. Discretionary requirements as specified in part E of the schedule II of the Listing Regulations:**

**i. Shareholders' Rights:**

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

**ii. Modified Opinion(s) in Audit Report :**

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

There was no modified audit opinion in the Auditors' Report on the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unmodified audit opinions in its financial statements.

**iii. Separate posts of Chairperson and Chief Executive Officer:**

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

**iv. Reporting of Internal Auditors:**

Internal Auditor directly reports to the Audit Committee.

**v. Retirement Guidelines:**

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

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

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

The policy for determining 'material' subsidiaries is disclosed on at:

<https://www.praj.net/wp-content/uploads/2021/11/Policy-on-Material-Subsidiary-2024.pdf>

**f. Disclosure of Commodity price risks and commodity hedging activities:**

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

**g. Prevention of Sexual Harassment:**

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

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

The following is a summary of Sexual Harassment Complaints received and disposed during Financial Year 2023-24, under the aforesaid Act:

No. of Complaints received: Nil

No. of Complaints disposed of: N.A.

No. of Complaints pending: Nil

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

The Company and its subsidiaries have not given loans and advances in the nature of loan to companies in which the Directors of the Company are interested during the financial year ended on 31st March, 2024, except those disclosed in the Audited Financial Statements.

**i. Details of fees paid to P.G. BHAGWAT LLP, Statutory Auditors of the Company for the financial year 2023-24 are as follows:**

Audit Fees	₹ 5.800 Mn.
Taxation Services	₹ 0.798 Mn.
<b>Total</b>	<b>₹ 6.598 Mn.</b>

**8. Code of Conduct:**

The Company has laid down a Code of Conduct for all the Board members and Senior Management. The Code of Conduct is available on the website of the Company and the weblink of the same is: <https://www.praj.net/wp-content/uploads/2021/11/praj-code-of-conduct-for-board-and-senior-management.pdf>

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

**9. Certification by CEO and MD and Chief Financial Officer (CFO):**

As per the requirement of Regulation 17(8) of the Listing Regulations, a Certificate, duly signed by CEO and CFO of the Company, was placed at the Board Meeting of the Company held on 30th May, 2024 and the same forms part of this report

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

**11. Compliance status of Corporate Governance requirements as prescribed in the Listing Regulations:**

This Report is prepared with adherence to the provisions of the Listing Regulations and the Report comprehends all the requirements under Regulations 17 to 27 read with Para C and D of Schedule V and clauses (b) to (i) of sub regulation (2) of Regulation 46 of the Listing Regulations as applicable.

**12. Certificate on Corporate Governance:**

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



## CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS

To,  
The Board of Directors  
Praj Industries Limited  
Pune

Dear Sirs/Madam,

This is to certify that;

- A. We have reviewed financial statements and the cash flow statement for the year ended on 31st March, 2024 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, that there were no deficiencies in the design or operation of such internal controls of which we are aware.
- D. We have indicated to the auditors and the Audit Committee;
- (1) that there were no significant changes in internal control over financial reporting during the year;
  - (2) that there were no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) that there were no instances of significant fraud of which we have become aware and the involvement therein, of the management or an employee having a significant role in Company's internal control system over financial reporting.

### For Praj Industries Limited

**Shishir Joshipura**  
CEO & Managing Director  
(DIN:00574970)

**Sachin Raole**  
CFO & Director – Resources  
(DIN:00431438)

Date : 30<sup>th</sup> May, 2024  
Place : Pune

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### DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

To the Members of Praj Industries Limited

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

### For Praj Industries Limited

**Shishir Joshipura**  
CEO & Managing Director  
(DIN:00574970)

**Sachin Raole**  
CFO & Director – Resources  
(DIN:00431438)

Date : 30<sup>th</sup> May, 2024  
Place : Pune

## CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS

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

30 May 2024

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

We have examined the compliance of conditions of Corporate Governance by Praj Industries Limited ("the Company") for the year ended on 31<sup>st</sup> March, 2024, as referred to in regulation 15(2) read with clause C of Schedule V read with regulation 34(3) of the said Listing Regulations of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 as amended (Hereinafter, collectively referred to as the Listing Regulations).

We have examined the compliance by the Company of the requirements under Listing Regulations, for the year ended 31<sup>st</sup> March, 2024.

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

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For KANJ & CO LLP**  
**Company Secretaries**

**Vikas Y. Khare**  
**Partner**

Membership No: FCS- 3541

CP No: 2107

Pune, dated 30 May 2024

Peer Reviewed UDIN: P2000MH005900

UDIN: F003541F000493571

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

### **Secretarial Compliance Report of Praj Industries Limited for the year ended 31<sup>st</sup> March 2024**

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

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

- a. all the documents and records made available to us, and explanation provided by Praj Industries Limited ("the listed entity"),
- b. the filings/ submissions made by the listed entity to the stock exchanges,
- c. website of the listed entity,
- d. any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31<sup>st</sup> March 2024 ("Review Period") in respect of compliance with the provisions of:

- a. the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- b. the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

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

- a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- c. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable;
- d. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. (Not Applicable to the listed entity during the year under review)
- e. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- f. Securities and Exchange Board of India (Issue and Listing of Nonconvertible Securities) Regulations, 2021; (Not Applicable to the listed entity during the year under review)
- g. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- h. Other regulations, if any, as applicable and circulars guidelines issued thereunder;

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

- a. The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified in Annexure I as attached.
- b. The listed Entity has taken actions to comply with the observations made in previous reports as specified in Annexure - II to this Report.

- c. Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18<sup>th</sup> October 2019, reports is as specified in Annexure - III to this Report
- d. Further, in accordance with the requirement of SEBI Circular CIR/CFD/CMD1/114/2019 dated 18<sup>th</sup> October 2019 read with Notice No. 20230316-14 dated 16.03.2023 and 20230410-41 dated 10.04.2023 as issued by the BSE Limited and Circular No. NSE/CML/2023/21 dated 16.03.2023 and Circular No. NSE/CML/2023/30 dated 10.04.2023 as issued by the National Stock Exchange of India Limited, Additional Affirmations are provided in Annexure IV to this Report.
- e. the Company has complied with the requirement of Structured Digital Database (SDD) as per circulars issued by BSE and NSE.

### Assumptions & Limitation

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

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

**For KANJ & CO LLP**  
**Company Secretaries**

**Vikas Khare**  
**Designated Partner**  
**FCS No.: 3541 C. P. No.: 2107**  
**UDIN:F003541F000456389**  
**Peer Reviewed UDIN: P2000MH005900**  
**Place: Pune, Date: 27<sup>th</sup> May 2024**

## Annexure- I

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

1	2	3	4	*5
Sr. No.	Compliance Requirement (Regulations/ Circulars/ Guidelines, including specific clause)	Regulation Circular Number	Deviations	Actions Taken by Advisory/ Clarification/ Fine/Show Cause Notice/Warning etc.
1	Regulation 44(3) the listed entity shall submit to the stock exchange, within two working days of conclusion of its General Meeting, details regarding the voting results in the format specified by the Board.	44(3)	Instead of within two working days the details regarding the voting results in the format specified was filed on 3 <sup>rd</sup> day. There was delay of 1 day.	NSE and BSE imposed fine as per SOP ₹ 10,000 /- each.
2	Proviso to Regulation 17(E) read with Proviso Regulation 17(1) which provides that "Provided that if the listed entity becomes non-compliant with the requirement under sub-regulation (1) of this regulation, due to expiration of the term of office of any director, the resulting vacancy shall be filled by the listed entity not later than the date such office is vacated. Regulation 17 (1): Provided that the Board of directors of the top 500 listed entities shall have at least one independent woman director by April 1, 2019 and the Board of directors of the top 1000 listed entities shall have at least one independent woman director by April 1, 2020	Proviso to Regulation 17(E) read with Regulation 17(1)	Mrs. Mrunalini Joshi, Independent woman director's tenure ended on 10 <sup>th</sup> August 2023 and Ms. Rujuta Jagtap was appointed as Independent Director in woman category on 21 <sup>st</sup> August 2023. There was delay of 11 days. New Independent Director in woman category should have been appointed on or before 10 <sup>th</sup> August 2023.	NIL

6	7	8	9	10	11
Type of Action	Details of Violation	Fine Amount	Observations / Remarks of Practising Company Secretary	Management Response	Remarks
NSE and BSE imposed fine as per SOP	Instead of within two working days the details regarding the voting results in the format specified was filed on 3 <sup>rd</sup> day.	₹ 10,000/- each.	The listed entity paid the fine provisionally and made application for condonation of delay and fine.	The company submitted that as per their understating for Postal Ballot Rules 29 (9) of the Companies (Management and Administration) Rules, 2014, the time limit for submission of scrutinizers report is not later than seven (7) days from the last day of receipt of postal ballot and there was no corresponding provision in SEBI (LODR), 2015, However, the stock exchanges are of the view that Regulation 44(3) is applicable or postal ballot though there is a mention of the general meeting in the said regulation and the regulation is silent about the postal ballot.	Nil
NIL	Same as given in column 4	NIL	Same as Column (4) of row 2	Admitted.	NIL

## Annexure- II

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

1	2	3	4	*5
Sr. No.	Compliance Requirement (Regulations/Circulars/Guidelines, including specific clause)	Regulation/Circular Number	Deviations	Actions Taken by
1	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR)	23 (2) second proviso	The Listed entity has not defined the term "material modifications" and disclose it as part of the policy on materiality of related party transactions and on dealing with related party transaction.	NIL

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

6	7	8	9	10	11
Type of Action	Details of Violation	Fine Amount	Observations /Remarks of Practising Company Secretary	Management Response	Remarks
Not Applicable	As referred in Column 4	Not Applicable	Deviation made good as stated in Column 10	The Listed entity has defined the term "material modifications" and added it as part of the policy on materiality of related party transactions and on dealing with related party transactions as per regulation 23 (2) second proviso of LODR in the Audit Committee Meeting and Board Meeting both held on 25 <sup>th</sup> May 2023.	Nil

## Annexure- III

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

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations/ Remarks by PCS*
<b>1.</b>	<b>Compliances with the following conditions while appointing/re-appointing an auditor</b>		
	<ul style="list-style-type: none"> <li>i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or</li> <li>ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or</li> <li>iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.</li> </ul>	NA	No such incidence in FY 2023-24
<b>2.</b>	<b>Other conditions relating to resignation of statutory auditor</b>		
	<ul style="list-style-type: none"> <li>i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:</li> </ul>		
	<ul style="list-style-type: none"> <li>a. In case of any concern with the management of the listed entity/ material subsidiary such as non-availability of information/ non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.</li> <li>b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable.</li> <li>c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.</li> <li>ii. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.</li> </ul>	NA	No such incidence in FY 2023-24 and no such concern was noticed from the records of the Company.
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure- A in SEBI Circular CIR/CFD/CMD1/114/2019 dated 18 <sup>th</sup> October, 2019.	NA	No such incidence in FY 2023-24



## Annexure- IV

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

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations / Remarks by PCS*
<b>1.</b>	<b>Secretarial Standard</b>		
	The compliances of the listed entity are in accordance with the applicable mandatory Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI).	YES	NIL
<b>2.</b>	<b>Adoption and timely up dation of the Policies:</b>		
	• All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities	YES	NIL
	• All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/ circulars/ guidelines issued by SEBI	YES	
<b>3.</b>	<b>Maintenance and disclosures on Website:</b>		
	• The listed entity is maintaining a functional website.	YES	NIL
	• Timely dissemination of the documents / information under a separate section on the website.	YES	NIL
	• Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which redirects to the relevant document(s)/ section of the website.	YES	NIL
<b>4</b>	<b>Disqualification of Director:</b>		
	None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013.	YES	NIL
<b>5</b>	<b>To examine details related to Subsidiaries of listed entities:</b>		
	(a) Identification of material subsidiary companies.	YES	NIL
	(b) Requirements with respect to disclosure of material as well as other subsidiaries.	YES	NIL
<b>6</b>	<b>Preservation of Documents:</b>		
	The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival Policy prescribed under SEBI LODR Regulations, 2015.	YES	NIL
<b>7</b>	<b>Performance Evaluation:</b>		
	The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations	YES	NIL
<b>8</b>	<b>Related Party Transactions:</b>		
	(a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions.	YES	NIL
	(b) the listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/rejected by the Audit committee, in case of no prior approval has been obtained.		
<b>9</b>	<b>Disclosure of events or information:</b>		
	The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	YES	NIL

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations / Remarks by PCS*
<b>10</b>	<b>Prohibition of Insider Trading:</b>		
	The listed entity is in compliance with Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015.	YES	The BSE officials visited the listed entity and advised it to maintain "Bottom to Top" approach while maintaining the SDD Implementation of the same has been initiated by the listed entity.
<b>11</b>	<b>Actions taken by SEBI or Stock Exchange(s), if any:</b>		
	Refer serial Number 1 of Annexure- I.	YES	Same as given in Serial Number 1 of Annexure- I.
<b>12</b>	<b>Additional non-compliances, if any:</b>		
	No additional non-compliance observed for all SEBI regulation/ circular/ guidance note etc.	YES	NIL

For KANJ & CO LLP  
Company Secretaries

Vikas Khare  
Designated Partner

FCS No.: 3541 C. P. No.: 2107

Place: Pune, Date: 27<sup>th</sup> May 2024

UDIN: F003541F000456389

Peer Reviewed UIDN: P2000MH005900

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Praj Industries Limited having CIN L27101PN1985PLC038031 and having registered office at S. No. 274 and 275/2, Bhumkar Chowk-Hinjewadi Road, Hinjewadi, Pune 411 057 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations' and Disclosure Requirements) Regulations, 2015. In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No	DIN	Name	Begin date
1	00196415	Dr. Pramod Madhukar Chaudhari	08-11-1985
2	00153675	Mr. Berjis Mino Desai (Ceased to be Director on 31 March 2024)	27-08-1993
3	00503487	Mr. Sivaramkrishnan Srinivasan Iyer (Ceased to be Director on 31 March 2024)	17-04-2003
4	00724911	Mrs. Parimal Pramod Chaudhari	05-06-2007
5	00431438	Mr. Sachin Vinayak Raole	16-01-2017
6	00957617	Mrs. Mrunalini Harish Joshi (Ceased to be Director on 10 August 2023)	11-08-2017
7	00574970	Mr. Shishir Joshipura	02-04-2018
8	00007607	Dr. Shridhar Bhalchandra Shukla	12-04-2018
9	00649689	Mr. Suhas Gangadhar Baxi	08-08-2019
10	00861890	Ms. Rujuta Prakash Jagtap	21-08-2023
11	00036827	Mr. Vinayak Kashinath Deshpande	31-03-2024
12	00170004	Mr. Utkarsh Palnitkar	31-03-2024

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

**For KANJ & CO. LLP  
Company Secretaries**

**Vikas Y. Khare  
Designated Partner**

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

Peer Reviewed UIDN: P2000MH005900

UDIN: F003541F000493932

Pune, 30<sup>th</sup> May 2024

## ANNEXURE 4 ESOP DISCLOSURE

Statement as on 31<sup>st</sup> March, 2024 for Employee Stock Option Scheme 2011 as required under Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

Sr. No.	Particulars	ESOP 2011
1	Date of Meeting	Annual General Meeting held on 22 <sup>nd</sup> July, 2011
2	Total number of options approved under the Scheme	92,38,936
3	Vesting requirements	1 year
4	Exercise price or pricing formula	17 <sup>th</sup> June, 2021 ₹ 90/-
5	Source of shares	Primary
6	Variation in terms of options	Nil
7	Options movement during the year	
	i. Number of Options outstanding at the beginning of the year	1,00,000
	ii. Number of Options granted during the year	Nil
	iii. Number of Options forfeited / cancelled/ lapsed during the year	Nil
	iv. Number of Options exercised during the year	1,00,000
	v. Number of shares arising as a result of exercise of options	1,00,000
	vi. Money realised by exercise of options during the year	₹9.000 Mn
	vii. Number of Options outstanding at the end of the year	Nil
	viii. Number of Options exercisable at the end of the year	Nil
8	Employee wise details of options granted to:	
	i. Key Managerial Personnel	Nil
	ii. Any other employee who receives a grant in any one year of option amounting to 5% or more of options granted during that year	Nil
	iii. Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	None
9	Weighted average fair value of options as on the date of grant	17 <sup>th</sup> June, 2021 ₹265.74
10	Method used for calculating fair value of options	Black Scholes Option pricing model

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

Particulars	17 <sup>th</sup> June, 2021
1) Risk-free interest rate	4.20%
2) Expected Life	1 year
3) Expected Volatility *	61.25%
4) Expected Dividend Yield	2.11%
5) Price of the underlying share in market at the time of Options grants	₹359.15
6) Exercise Price	₹90/-

\* Expected volatility has been determined based on closing price of the share of the Company for immediately past one year from the date of grant.

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

- The price of the underlying instrument follows a geometric Brownian motion with constant drift and volatility, and the prices changes are log-normally distributed;
- It is possible to short sell the underlying stock.
- There are no arbitrage opportunities.
- Trading in the stock is continuous.
- There are no transaction costs or taxes.
- All securities are perfectly divisible (e.g. it is possible to buy any fraction of a share).
- It is possible to borrow and lend cash at a constant risk-free interest rate.

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

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

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

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

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2024**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
Praj Industries Limited,  
CIN: L27101PN1985PLC038031  
"Praj Tower",  
S. No. 274 and 275/2, Bhumkar Chowk-Hinjewadi Road,  
Hinjewadi, Pune 411 057

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

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information, including copies of the scan documents or soft documents in digital/ electronic mode provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2024, subject to our specific observations, if any, substantially complied with the statutory provisions listed hereunder and also that the company has proper board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2024 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder.
- ii. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.
- iii. The Depositories Act, 1996 and the Regulations and byelaws framed thereunder.
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable during the audit period)
  - iv. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021.
  - v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable during the audit period)
  - vi. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
  - vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable during the audit period)

- viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable during the audit period);
- ix. The following other law as applicable specifically to the company, which includes the Narcotic Drugs and Psychotropic Substances Act, 1985 and the Atomic Energy Act, 1962 as applicable specifically to the company.

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

- i. Secretarial Standards issued by the Institute of Company Secretaries of India as are applicable to the company,
- ii. The Listing Agreements entered by the Company with BSE Limited / National Stock Exchange of India Limited read with SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (LODR).
- iii. During the period under review the Company has substantially complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that:**

The Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non -Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. In the 37<sup>th</sup> Annual General meeting held on 26<sup>th</sup> July, 2023 Mrs. Parimal Chaudhari, (DIN: 00724911) representing Woman Director in category of Non-Executive Director retired by rotation and was reappointed in the same class and category. Dr Shridhar Shukla (DIN: 00007607) was reappointed as an Independent Director in his second term to hold office for a further period of five (5) years with effect from 12<sup>th</sup> April 2023 till 11<sup>th</sup> April 2028. Tenures of three independent directors namely, Mrs. Mrunalini Harish Joshi (DIN: 00957617), in category of woman Independent Director [term ended on 10.08.2023], Mr. Berjis Minoo Desai (DIN: 00153675) [term ended on 31.03.2024] and Mr. Sivaramkrishnan Srinivasan Iyer (DIN: 00503487) [term ended on 31.03.2024], ended during year under review and three new Independent Directors, namely, Ms. Rujuta Prakash Jagtap (DIN: 00861890) [Appointed on 21-08-2023 in category of woman Independent Director, for a period of Three (3) consecutive years with effect from 21<sup>st</sup> August, 2023 till 20<sup>th</sup> August 2026, and enrolled for lifetime in Data Bank of Independent Director with IICA on 28.05.2024], Mr. Vinayak Kashinath Deshpande (DIN: 00036827) to hold office for a period of Three (3) years with effect from 31<sup>st</sup> March, 2024 till 30<sup>th</sup> March, 2027 and Mr. Utkarsh Palnitkar (DIN: 00170004) to hold office for a period of Three (3) years with effect from 31<sup>st</sup> March, 2024 till 30<sup>th</sup> March, 2027 were appointed during the year under review. The term of Mr. Shishir Joshipura (DIN: 00574970) as Chief Executive Officer and Managing Director of the Company, was extended for a period of 27 months with effect from 1<sup>st</sup> April 2023 till 30<sup>th</sup> June 2025.

We observed that the filing of few statutory MCA forms under the Act were filed with delay by paying additional filing fees.

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

As per the minutes of the meeting all the decisions were taken by the requisite majority and there were no dissenting views appearing in the minutes of the meetings.

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

We further report that compliances under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not covered in Form MR-3, and the Securities and Exchange Board of India has prescribed separate audit report under Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The same has been provided to the Company and the Company has filed the same with NSE and BSE.

We further report that during the audit period as per the information provided and to the best of our knowledge there were no events which may have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, and the Secretarial Standards.

**For KANJ & Co LLP  
Company Secretaries**

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

**Place: Pune**

**Date: 30<sup>th</sup> May, 2024**

**UDIN : F003541F000493681**



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

Our report of the event date provided in Form MR-3 to Praj Industries Limited (the company) for the year ended on 31<sup>st</sup> March 2024 is to be read along with this letter.

1. Maintenance of Secretarial records and complying with the provisions of the various laws as applicable including the laws specifically applicable to the company is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records and legal compliances based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain responsible assurance about the correctness of the contents of secretarial records and the records of legal compliances. The verification was done on test basis to ensure that correct facts are reflected in secretarial and other relevant records. We believe that the processes and practices we follow provide a responsible basis for our opinion.
3. We are not required to verify the correctness and appropriateness of financial records and books of accounts of the company as it is part of financial audit as per the provisions of the Companies Act, 2013 and we have relied upon audited accounts.
4. Wherever required, we have obtained the management representation about the practices followed, compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, secretarial standards is the responsibility of management. Our examination was limited to verification of procedures on a test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For KANJ & Co LLP**  
**Company Secretaries**

**Vikas Y. Khare**  
**Partner**  
**FCS No. 3541**  
**C. P. No.: 2107**  
**Peer Reviewed UDIN: P2000MH005900**  
**UDIN: F003541F000493681**  
**Date: 30<sup>th</sup> May, 2024**  
**Place: Pune**



## ANNEXURE 6 Notes forming part of the Consolidated financial statements for the year ended 31 March 2024

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

1	NAME OF THE SUBSIDIARY COMPANY	Praj Far East Philippines Ltd., Philippines	Praj Americas Inc. USA	Praj Far East Co., Ltd. Thailand	Praj HiPurity Systems Limited, India.	Praj Engineering and Infra Limited, India	Praj GenX Limited, India.
2	FINANCIAL PERIOD OF THE SUBSIDIARY ENDED ON	31-03-2024	31-03-2024	31-03-2024	31-03-2024	31-03-2024	31-03-2024
3	% OF SHAREHOLDING	100% of Equity Capital	100% of Equity Capital	100% of Equity Capital	100% of Equity Capital	99.67% of Equity Capital	Wholly Owned
4	SHARE CAPITAL	11.167	9.281	12.519	50.000	3.098	0.500
5	RESERVES AND SURPLUS	14.021	9.837	26.186	775.701	299.007	(32.740)
6	TOTAL ASSETS	36.042	29.145	40.896	1932.892	1182.564	2151.729
7	TOTAL LIABILITIES (EXCLUDING SHARE CAPITAL AND OTHER EQUITY)	10.855	10.026	2.192	1107.191	880.459	2183.969
8	INVESTMENTS	NIL	NIL	NIL	NIL	170.000	NIL
9	TURNOVER	4.450	62.609	23.531	3021.662	1688.098	196.163
10	PROFIT/(LOSS)FOR THE CURRENT YEAR (BEFORE TAXES)	(1.891)	2.969	3.637	306.749	141.829	(38.266)
11	PROVISION FOR TAXATION (INCLUDING DEFERRED TAXES)	0.010	0.695	0.781	75.601	36.093	(6.207)
12	PROFIT/(LOSS)FOR THE CURRENT YEAR (AFTER TAXES)	(1.901)	2.274	2.856	231.148	105.736	(32.059)
12	OTHER COMPREHENSIVE INCOME	(1.031)	0.157	(1.846)	(10.038)	(0.295)	(0.681)
13	TOTAL COMPREHENSIVE INCOME	(2.932)	2.431	1.010	221.110	105.441	(32.740)
14	ORIGINAL CURRENCY	PESO	US DOLLAR	THAI BAHT	INR	INR	INR
15	EXCHANGE RATE AS ON 31 <sup>ST</sup> MARCH, 2024 IN INR - CLOSING RATE	1.4845	83.4000	2.2944	1.00	1.00	1.00
16	EXCHANGE RATE FROM 1 <sup>ST</sup> APRIL, 2023 TO 31 <sup>ST</sup> MARCH, 2024 IN INR-AVERAGE RATE	1.4810	82.7969	2.3534	1.00	1.00	1.00

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

**Dr. Pramod Chaudhari**  
Executive Chairman  
(DIN : 00196415)

**Shishir Josphipura**  
CEO and Managing Director  
(DIN : 00574970)

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

**Anant Bavare**  
Company Secretary  
(M.No.: ACS21405)

Place: Pune  
Date: 30 May 2024

## ANNEXURE 7

# NOMINATION & REMUNERATION POLICY

### 1. PHILOSOPHY:

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

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

### 2. OBJECTIVE:

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

### 3. COVERAGE:

The policy is applicable to determining remuneration of:

Executive Directors

Non- Executive Directors

Key Managerial Personnel

Senior Management Personnel

In the backdrop of the above, the Board of Directors in its meeting held on 25<sup>th</sup> May, 2023, has suitably amended this Policy with immediate effect.

### 4. DEFINITIONS:

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

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

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

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

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

## 5. TERMS OF REFERENCE/ROLE OF COMMITTEE:

The Terms of Reference of the Committee shall be:

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

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

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

As decided by the Board of Directors in its meeting held on 24<sup>th</sup> May, 2011 the retirement age for Executive Directors shall be 65 years and for Non-Executive Directors shall be 70 years. The Board of Directors shall be at liberty to grant any extension as and when required on case to case basis.

**7. STATUTORY POWERS OF THE COMMITTEE:**

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

**8. COMPOSITION OF COMMITTEE:**

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

**9. CHAIRPERSON:**

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

**10. MISCELLENEOUS:**

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

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

## ANNEXURE 8 BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

### SECTION A: GENERAL DISCLOSURES

#### I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity - L27101PN1985PLC038031
2. Name of the Listed Entity - Praj Industries Ltd.
3. Year of Incorporation - 1985
4. Registered office address - "Praj Tower", S. No. 274 & 275/2, Bhumkar Chowk- Hinjewadi Road, Hinjewadi, Pune – 411 057.
5. Corporate address - "Praj Tower", S. No. 274 & 275/2, Bhumkar Chowk- Hinjewadi Road, Hinjewadi, Pune – 411 057.
6. E-mail - info@praj.net
7. Telephone +91-20-71802000 / 22941000
8. Website – <https://www.praj.net>
9. Financial year for which reporting is being done - 01.04.2023 - 31.03.2024
10. Name of the Stock Exchange(s) where shares are listed – National Stock Exchange of India Limited (NSE) / BSE Limited (BSE)
11. Paid-up Capital – INR 367.626 Mn.
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report  
Mr. Mandar Kulkarni, Lead - Sustainability  
Telephone No. +91-20-71802000 / 22941000  
Email address – mandarkulkarni@praj.net
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).  
  
The disclosures under this report are made on Consolidated basis, except employee related data.
14. Name of assurance provider – N/A
15. Type of assurance obtained – N/A

#### II. Products/services

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

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

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

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

### III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	7	5	12
International	0	3	3

#### Notes

- i. Two research centres (Urawade & Daund) in India are considered under office locations.
- ii. Project sites (around 65 nos.) are not considered above.

19. Markets served by the entity:

a. Number of locations

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

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

18%

c. A brief on types of customers

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

### IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	1400	1247	89%	153	11%
2.	Other than Permanent (E)	400	353	88%	47	12%
3.	<b>Total employees (D + E)</b>	<b>1800</b>	<b>1600</b>	<b>89%</b>	<b>200</b>	<b>11%</b>
<b>WORKERS</b>						
4.	Permanent (F)	-	-	N/A	-	N/A
5.	Other than Permanent (G)	6536	6516	99.7%	20	0.3%
6.	<b>Total workers (F + G)</b>	<b>6536</b>	<b>6516</b>	<b>99.7%</b>	<b>20</b>	<b>0.3%</b>

b. Differently abled Employees and workers:

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

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	11	2	18%
Key Management Personnel	4	0	N/A

**Note** – 2 Directors ceased to be the Directors w.e.f. 31<sup>st</sup> March, 2024.

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	12%**	25%*	15%	14%**	22%*	15%	10%	11%	10%
Permanent Workers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

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

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

23. (a) Names of holding / subsidiary / associate companies / joint ventures

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



## VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes  
 (ii) Turnover - INR 35,097,770,000  
 (iii) Net worth - INR 12,714,292,000

## VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)  (If Yes, then provide web-link for grievance redressal policy)	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	-	-	-	Nil complaints	-	-	Nil complaints
Investors (other than shareholders)	Yes	-	-	Nil complaints	-	-	Nil complaints
Shareholders	Yes	2	-	All complaints were resolved	2	-	All complaints were resolved
Employees and workers	Yes	-	-	Nil complaints	-	-	Nil complaints
Customers	Yes	24	2	Resolution of 2 complaints in progress	13	-	All complaints were resolved
Value Chain Partners	Yes	-	-	Nil complaints	-	-	Nil complaints
Other (please specify)	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

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

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

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Customer Satisfaction	Opportunity	Provides opportunity for business to grow and nurture in the business ecosystem	-	Positive
2	Corporate Governance	Risk	Governance policies when not in place can lead to major impact on sustainability of the organization	Strong policy-oriented governance structure & implementation structure in place	Negative
3	Ethical Behaviour	Risk	Ethical behaviour is an integrated part of Praj's culture and form core part of most of the policies.	Whistle blower policy and its deployment. The policy is applicable for its employees, vendors, and channel partners	Negative
4	Employee & Workforce	Opportunity	Employee and workforce wellbeing remains crucial for achieving sustainability & success of the organization	HR policies conducive to welfare promotion. Management strategy to move away from Labor Relations to Human Capital Development	Positive
5	Human Rights and Labour Conditions	Risk	Challenges integrity of the organization. Has legal implications	The culture of care and trust has been embedded in the organization. It has been made part of various policies. Trainings on the same is taken periodically	Negative
6	Sustainable Supply Chain	Opportunity	For us sustainability in supply chain provides opportunity to enhance operations' sustainability and in-turn increase opportunities to achieve lower TAT with quality for our customers	Procurement from Green Certified vendors and MSME is preferred.	Positive
7	Cyber Security	Risk	Data and IT infra being the backbone of the business, Cyber Security if not strengthened, will impact business's confidential information and sustainability	Policy and deployment including Cyber Security Assurance Framework	Negative

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8	Climate Change	Opportunity	Climate Action is of prime importance for Praj. Through its business offerings, Praj is creating opportunities for its customer to reduce impacts of Climate Change	-	Positive

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

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

Governance, leadership and oversight																												
7. Statement by Director responsible for the Business Responsibility Report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure):  For detail statement of our Director (Resources) please refer below link: <a href="https://www.praj.net/wp-content/uploads/2023/11/sustainability-management-system1.pdf">https://www.praj.net/wp-content/uploads/2023/11/sustainability-management-system1.pdf</a>																												
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).										Mr. Sachin Raole CFO and Director – Resources Phone No. 020-71802000 Email - sachinraole@praj.net																		
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.										Yes.  Committee consist of members from all functions at each location with their HOD as Lead Sustainability. They work under the overall guidance of CEO & CFO.																		
10. Details of Review of NGRBCs by the Company:																												
Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)																		
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9										
Performance against above policies and follow up action	Praj has established a system for improvement of significant aspects of Business Responsibility Principles. CEO & MD and Members of the Board undertake broad planning for improvement of these significant aspects and release documented targets. Heads of all locations carry out detailed planning and initiate improvement as per the directions. Quarterly reports are received from all its locations in India and abroad.									Annually																		
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	These are reviewed quarterly by the Head of the Divisions. CEO & MD / Board undertake annual review and give feedback and encouragement. CEO/Board take care of any budgetary or policy needs that are necessary for the improvements planned.									Annually																		
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.										P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	Yes, independent assessments are conducted by certifying agencies while conducting ISO certification audits. Company has ISO certifications such as ISO 9001, ISO 45001, ISO 14001									
12. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated:																												
Questions										P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9										
The entity does not consider the Principles material to its business (Yes/No)										Not applicable																		
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)																												
The entity does not have the financial or/human and technical resources available for the task (Yes/No)																												
It is planned to be done in the next financial year (Yes/No)																												
Any other reason (please specify)																												

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

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

#### Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	5	Risk Management, Business strategy & update of laws, Sustainability Management System	50%
Key Managerial Personnel	9	Risk Management, Business strategy & update of laws, Sustainability Management System	50%
Employees other than BoD and KMPs	6	Environment Sustainability, Cyber Security, POSH, Health and Safety, Code of Conduct	20%
Workers	315	Environment, Health and Safety	100%

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

Monetary				
NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil	-	-	-
Settlement	Nil	-	-	-
Compounding fee	Nil	-	-	-

Non-Monetary			
NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	-	-
Punishment	Nil	-	-

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

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Nil	-

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

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

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

	FY (2023-24)	FY (2022-23)
	Current Financial Year	Previous Financial Year
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

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

	FY (2023-24) Current Financial Year		FY (2022-23) Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil		Nil	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil		Nil	

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

N/A

8. Number of days of accounts payables (Accounts payable \*365) / Cost of goods/services procured) in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Number of days of accounts payables</b>	62	58

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	< 25%	< 25%
	b. Number of trading houses where purchases are made from	> 450	> 450
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	<10%	< 10%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	-	-
	b. Number of dealers / distributors to whom sales are made	-	-
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	-	-
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	<1%	<1%
	b. Sales (Sales to related parties / Total Sales)	<1%	<1%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	<1%	<1%
	d. Investments (Investments in related parties / Total Investments made)	<1%	<1%

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

### Essential Indicators

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

	FY (2023-24)	FY (2022-23)	Details of improvements in environmental and social impacts
	Current Financial Year	Previous Financial Year	
R&D	56.3%	6%	Development of Sustainable Aviation Fuel (SAF) was carried out using combination of fermentation and catalytic process starting with renewable feed stock, sugar cane molasses. Use of this SAF will have almost 40% GHG reduction over conventional fossil jet fuel.
Capex	2.7%	26%	Development and deployment of compressed biogas (RNG) or renewable natural gas from biomass residues was done from bench (1 kg/day biomass) to pilot (60 kg/day biomass) to now commercial scale (200 MT/day). The use of CBG in transportation fuel will reduce the overall carbon emissions by 80% over fossil-based NG. Development of biodegradable plastics (poly lactic acid and poly hydroxy alkenoate) is at bench scale and a pilot plant is being built to demonstrate the technology at 100 MTA scale. This development will address the issue of single use plastic menace polluting the environment.

- Does the entity have procedures in place for sustainable sourcing? (Yes/No) Yes  
Suppliers are evaluated on social, ethical and environmental performance parameters. Sustainable sourcing is the key element in the process of selecting and retaining Business Partners. 'Suppliers Code of Conduct' policy is strictly implemented for all the suppliers. This policy also covers aspects such as human & labour rights, Occupational health & safety. All the suppliers have to mandatorily accept this code of conduct. Further to this, business critical suppliers are monitored on levels/grades from A to D. Level D suppliers are audited to ensure their performance against these sustainability parameters.
  - If yes, what percentage of inputs were sourced sustainably?  
100% of inputs are sourced sustainably in ethical and environmentally conscious manner with zero hazardous material maximizing local and Indian content.
- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.  
Company's products are sold to industrial customers and as such there aren't any products those we have to reclaim at the end of life. Waste generated through Company's operations is reused, recycled and disposed of in line with the extant regulations as per following details:

(a) For Plastics (including packaging)	Disposed through scrap merchant by authorised recycler. Annual Undertaking is taken from the recycler.
(b) For E-waste	Disposed through scrap merchant by authorised recycler. Annual Undertaking is taken from the recycler.
(c) For Hazardous waste	Disposed through scrap merchant by authorised recycler. Annual Undertaking is taken from the recycler.
(d) For Other waste	Reuse of packing material such as wood for repacking
- Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.  
No

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

**Essential Indicators**

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent employees</b>											
Male	1247	1247	100	1247	100	-	-	1247	100	-	-
Female	153	153	100	153	100	153	100	-	-	-	-
Any other	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Total</b>	1400	1400	100	1400	100	153	11*	1247	89**	-	-
<b>Other than Permanent employees</b>											
Male	353	353	100	353	100	-	-	353	100	-	-
Female	47	47	100	47	100	47	100	-	-	-	-
Any other	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Total</b>	400	400	100	400	100	47	12*	353	88**	-	-

\* only female employees are considered for maternity benefits

\*\* only male employees are considered for paternity benefits

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

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent workers</b>											
Male	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Female	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Any other	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Total</b>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Other than Permanent workers</b>											
Male	6516	6516	100	6516	100	-	-	6516	100	-	-
Female	20	20	100	20	100	20	100	-	-	-	-
Any other	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Total</b>	6536	6536	100	6536	100	20	0.3*	2417	99.7**	-	-

\* only female employees are considered for maternity benefits

\*\* only male employees are considered for paternity benefits



- c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the company	0.554%	0.374%

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

	FY (2023-24)			FY (2022-23)		
	Current Financial Year			Previous Financial Year		
Benefits	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	100%*	100%*	Y	100%*	100%*	Y
Others	n/a	n/a	n/a	n/a	n/a	n/a

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

3. Accessibility of workplaces

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

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

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

Yes. The policy is available internally.

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

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	n/a	n/a
Female	100%	100%	n/a	n/a
Any other	n/a	n/a	n/a	n/a
<b>Total</b>	100%	100%	n/a	n/a

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

	Yes/No (If Yes, then give details of the mechanism in brief)
<b>Permanent Workers</b>	<b>N/A</b>
Other than Permanent Workers	Yes, grievances are raised through verbal or phone communication with dedicated officer. Grievances are addressed through internal procedures.
Permanent Employees	Yes, employees can connect through phone or email with the BU Human Resource team or Corporate HC team
Other than Permanent Employees	Yes, grievances are raised through verbal or phone or email communication with dedicated officer. Grievances are addressed through internal procedures.

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

Category	FY (2023-24) (Current Financial Year)			FY (2022-23) (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees/ workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
<b>Total Permanent Employees</b>	<b>1400</b>	-	<b>0%</b>	<b>1192</b>	-	<b>0%</b>
Male	1247	-	0%	1077	-	0%
Female	153	-	0%	115	-	0%
Any other	0	n/a	n/a	n/a	n/a	n/a
<b>Total Permanent Workers</b>	<b>0</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
Male	0	n/a	n/a	n/a	n/a	n/a
Female	0	n/a	n/a	n/a	n/a	n/a
Any other	0	n/a	n/a	n/a	n/a	n/a

Note – Only permanent employees are considered above.

8. Details of training given to employees and workers:

Category	FY (2023-24) Current Financial Year					FY (2022-23) Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Male	1600	1600	100%	1192	75%	1466	1466	100%	1100	75%
Female	200	200	100%	129	65%	137	137	100%	103	75%
Any other	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Total</b>	<b>1800</b>	<b>1800</b>	<b>100%</b>	<b>1321</b>	<b>73%</b>	<b>1603</b>	<b>1603</b>	<b>100%</b>	<b>1203</b>	<b>75%</b>
<b>Other than Permanent workers</b>										
Male	6516	6516	100%	*		6332	6332	100%	*	
Female	20	20	100%			20	20	100%		
Any other	n/a	n/a	n/a			n/a	n/a	n/a		
<b>Total</b>	<b>6536</b>	<b>6536</b>	<b>100%</b>			<b>6352</b>	<b>6352</b>	<b>100%</b>		

Note -

\* Company regularly conducts skill upgradation trainings for workers (other than permanent category)

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

Category	FY (2023-24)			FY (2022-23)		
	Current Financial Year			Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	1247	1247	100%	1077	1077	100%
Female	153	153	100%	115	115	100%
Any other	n/a	n/a	n/a	n/a	n/a	n/a
<b>Total</b>	<b>1400</b>	<b>1400</b>	<b>100%</b>	<b>1192</b>	<b>1192</b>	<b>100%</b>
<b>Workers</b>						
Male	n/a	n/a	n/a	n/a	n/a	n/a
Female	n/a	n/a	n/a	n/a	n/a	n/a
Any other	n/a	n/a	n/a	n/a	n/a	n/a
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

Note – Only permanent employees are considered above.

10. Health and Safety Management System:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No).  
If yes, the coverage such system?  
  
Yes, Company is ISO 14001 & ISO 45001 compliant. A well-documented EOHS (Environmental, Occupational, Health & Safety) policy is in place. One of the objectives of this policy is to provide safe & healthy working conditions for the prevention of work-related injury and ill health.
- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?  
  
Company follows procedures for recording of unsafe acts, unsafe conditions & near misses. Audits are conducted at regular intervals.
- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)  
  
Yes
- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)  
  
Yes

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

Safety Incident/Number	Category	FY (2023-24)	FY (2022-23)
		Current Financial Year	Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers (Other than permanent)	0.05	0.48
Total recordable work-related injuries	Employees	Nil	Nil
	Workers (Other than permanent)	1	10
No. of fatalities	Employees	Nil	Nil
	Workers (Other than permanent)	Nil	1
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers (Other than permanent)	Nil	1

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

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

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

	FY (2023-24) (Current Financial Year)			FY (2022-23) (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions		Nil			Nil	
Health & Safety		Nil			Nil	

14. Assessments for the year:

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

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

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

- Implementation of Operational Control Procedures at sites
- Implementation of Monthly Safety Motivational Programs
- Uniform safety systems implemented at sites
- Adherence to compliance and statutory requirements
- Monitoring and control through audits from external certifying agencies

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

##### Essential Indicators

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

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

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

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	1. Internal communication through email platforms- Praj Connect, Corporate Communication 2. Quarterly Interactions by CEO	Quarterly	Keep employees abreast with happenings in economy, business environment, company specific achievements including business performance of organization

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

## PRINCIPLE 5 Businesses should respect and promote human rights

### Essential Indicators

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

Category	FY (2023-24)			FY (2022-23)		
	Current Financial Year			Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	1400	1400	100%	1192	894	75%
Other than permanent	400	400	100%	411	308	75%
<b>Total Employees</b>	<b>1800</b>	<b>1800</b>	<b>100%</b>	<b>1603</b>	<b>1202</b>	<b>75%</b>
<b>Workers</b>						
Permanent	0	0	n/a	0	0	n/a
Other than permanent	6536	6536	100%	6352	4765	75%
<b>Total Workers</b>	<b>6536</b>	<b>6536</b>	<b>100%</b>	<b>6352</b>	<b>4765</b>	<b>75%</b>

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

Category	FY (2023-24)					FY (2022-23)				
	Current Financial Year					Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
<b>Permanent</b>										
Male	1247	-	-	1247	100%	1077	-	-	1077	100%
Female	153	-	-	153	100%	115	-	-	115	100%
Any other	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Other than Permanent</b>										
Male	353	-	-	353	100%	389	34	9%	355	91%
Female	47	-	-	47	100%	22	7	32%	15	68%
Any other	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Workers</b>										
<b>Permanent</b>										
Male	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Female	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Any other	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Other than Permanent</b>										
Male	6516	4431	68%	2085	32%	6332	1836	29%	4496	71%
Female	20	2	10%	18	90%	20	7	35%	13	65%
Any other	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

	Male		Female		Any other	
	Number	Median remuneration/salary/ wages of respective category	Number	Median remuneration/salary/ wages of respective category	Number	Median remuneration/salary/ wages of respective category
Board of Directors (BoD)	3	7,72,80,100	-	-	-	-
Key Managerial Personnel	1	850,000	-	-	-	-
Employees other than BoD and KMP	1243	12,87,350	153	7,29,450	-	-
Workers	n/a	n/a	n/a	n/a	n/a	n/a

Notes –

- Executive Chairman, CEO & MD and CFO are included in board of directors, they are also key managerial personnel.
- Only permanent employees are considered above.

- b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	<b>FY 2023-24 (Current Financial Year)</b>	<b>FY 2022-23 (Previous Financial Year)</b>
Gross wages paid to females as % of total wages	6.5%	6%

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

Yes

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

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

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

	<b>FY (2023-24)</b>			<b>FY (2022-23)</b>		
	<b>Current Financial Year</b>			<b>Previous Financial Year</b>		
	<b>Filed during the year</b>	<b>Pending resolution at the end of year</b>	<b>Remarks</b>	<b>Filed during the year</b>	<b>Pending resolution at the end of year</b>	<b>Remarks</b>
Sexual Harassment	Nil	Nil	n/a	1	Nil	Resolved
Discrimination at workplace	Nil	Nil	n/a	Nil	Nil	n/a
Child Labour	Nil	Nil	n/a	Nil	Nil	n/a
Forced Labour/Involuntary Labour	Nil	Nil	n/a	Nil	Nil	n/a
Wages	Nil	Nil	n/a	Nil	Nil	n/a
Other human rights related issues	Nil	Nil	n/a	Nil	Nil	n/a

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format :

	<b>FY 2023-24 (Current Financial Year)</b>	<b>FY 2022-23 (Previous Financial Year)</b>
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	1
Complaints on POSH as a % of female employees / workers	Nil	0.73%
Complaints on POSH upheld	Nil	1

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

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

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

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

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

10. Assessments for the year:

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

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

No major risks or concerns reported.

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

### Essential Indicators

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

Parameter	FY (2023-24) Current Financial Year	FY (2022-23) Previous Financial Year
<b>From renewable sources</b>		
Total electricity consumption (A)	787 GJ	775 GJ
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>787 GJ</b>	<b>775 GJ</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	24,363 GJ	24,901 GJ
Total fuel consumption (E)	5,045 GJ	15,508 GJ
Energy consumption through other sources (F)	-	1,762 GJ
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>29,408 GJ</b>	<b>42,171 GJ</b>
<b>Total energy consumed (A+B+C+D+E+F)</b>	<b>30,195 GJ</b>	<b>42,946 GJ</b>
<b>Energy intensity per rupee of turnover</b> (Total energy consumed / Revenue from operations)	860 GJ/Billion INR	1,205 GJ/Billion INR
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total energy consumed / Revenue from operations adjusted for PPP)	-	-
<b>Energy intensity in terms of physical output</b>	-	-

#### Note:

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

No



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

No

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

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	-	-
(ii) Groundwater	22,146 kilolitres	45,548 kilolitres
(iii) Third party water	69,473 kilolitres	24,851 kilolitres
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>91,619 kilolitres</b>	<b>70,399 kilolitres</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>89,787 kilolitres</b>	<b>68,991 kilolitres</b>
<b>Water intensity per rupee of turnover</b> (Water consumed / turnover)	2,558 kilolitres/Billion INR	1,936 kilolitres/Billion INR
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total water consumption / Revenue from operations adjusted for PPP)	-	-
<b>Water intensity in terms of physical output</b>	-	-

**Note:**

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

No

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

4. Provide the following details related to water discharged:

Parameter	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water		
No treatment	-	-
With treatment – please specify level of treatment	-	-
(ii) To Groundwater		
No treatment	-	-
With treatment – please specify level of treatment	18,416	15,172
(iii) To Seawater		
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties		
No treatment	-	-
With treatment – please specify level of treatment	-	-
(v) Others		
No treatment	-	-
With treatment – please specify level of treatment	-	-
<b>Total water discharged (in kilolitres)</b>	<b>18,416</b>	<b>15,172</b>

Note:

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

No

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

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

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

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
NOx	µg/m <sup>3</sup>	261.15	72.95
SOx	µg/m <sup>3</sup>	46.89	72.09
Particulate matter (PM)	µg/m <sup>3</sup>	211.64	189.34
Persistent organic pollutants (POP)		-	-
Volatile organic compounds (VOC)	mg/m <sup>3</sup>	0.38	0.35
Hazardous air pollutants (HAP)		-	-
Others – please specify		-	-

Note:

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

No

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

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	1,590	1,986
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	5,800	4,633
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Grams CO2 per Rupee	0.21	0.19
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Grams CO2 per USD	-	-
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>		-	-

Note:

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

No

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.
- i) LED light fittings (wherever feasible) are installed in plants at Kandla, Sanaswadi, Praj Tower and Praj Matrix locations.
  - ii) Partial electricity is generated through Roof Top Solar Power Plant having 374 Kwp capacity at Praj Matrix location and 62 Kwp capacity at Praj Tower location.
  - iii) PWHT with LPG instead of diesel at Kandla.

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

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	17.91	9.9
E-waste (B)	2.43	8.03
Bio-medical waste (C)	0.0014	0.0013
Construction and demolition waste (D)	18	45
Battery waste (E)	0.66	0.20
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G) Empty Paint drums, Used lubricant oil & Coolant oil, ETP Sludge	46.015	32.28
Other Non-hazardous waste generated (H). Please specify, if any. Paper, wood & plastics	381.54	289.16
<b>Total (A+B + C + D + E + F + G+ H)</b>	<b>466.56</b>	<b>384.56</b>
<b>Waste intensity per rupee of turnover</b> (Total waste generated / Revenue from operations)	24.16 MT/Billion INR	18.91 MT/Billion INR
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total waste generated / Revenue from operations adjusted for PPP)	-	-
<b>Waste intensity in terms of physical output</b>	-	-
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
<b>Total</b>	-	-
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	2.28KL (Used oil), 1150 nos. DP containers, Waste residue containing oil - 0.01 MT	2.46 KL of used oil
(ii) Landfilling	20.515	57
(iii) Other disposal operations	Generated waste is disposed through Maharashtra Enviro Power Limited for Manufacturing location in Sanaswadi	Generated waste is disposed through Maharashtra Enviro Power Limited for Manufacturing location in Sanaswadi

**Note:**

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

No

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

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

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

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

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

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

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Based on applicable laws, this is not applicable to the Company					

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

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

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

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

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

**Essential Indicators**

1. a. Number of affiliations with Trade and Industry Chambers/ Associations - 14
- b. List the top 10 Trade and Industry Chambers/ Associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

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

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

Name of authority	Brief of the case	Corrective action taken
Nil		

## PRINCIPLE 8 Businesses should promote inclusive Growth and Equitable Development

### Essential Indicators

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

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Based on applicable laws, this is not applicable to the Company					

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

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

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

So far there is no such case. In order to prevent such things we follow below mentioned practices:

- Before starting any project, we interact with the beneficiaries, we understand their needs, we don't force them to be a part of the project, their participation is totally voluntary
- We ensure community ownership
- We also ensure necessary due diligence of the NGO with whom we work

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

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Directly sourced from MSMEs/ small producers	33%	30%
Directly from within India	93%	88%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Rural	26.13	25.56
Semi-urban	16.04	14.27
Urban	0.78	0.7
Metropolitan	57.05	59.47

(Place to be categorized as per RBI Classification System - Rural / Semi-Urban / Urban / Metropolitan)

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

### Essential Indicators

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

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

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

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

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

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

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

	FY (2023-24) Current Financial Year		Remarks	FY (2022-23) Previous Financial Year		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data Privacy	-	-	Nil	-	-	Nil
Advertising	-	-	Nil	-	-	Nil
Cyber-security	-	-	Nil	-	-	Nil
Delivery of essential services	N/A	N/A	N/A	N/A	N/A	N/A
Restrictive Trade Practices	-	-	Nil	-	-	Nil
Unfair Trade Practices	-	-	Nil	-	-	Nil
Other (Customer Complaints)	24	2	Under resolution	13	-	Resolved

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

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

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

Yes

[Information-Security-Policy-2024.pdf \(praj.net\)](#)

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

Nil

7. Provide the following information relating to data breaches:

- a. Number of instances of data breaches

We did not have data breach last year. We get alerts from SOC RADAR, SENTINEL ONE to take action to prevent any attacks. We do it on 24 x7 to ensure no breaches. Have been successful last year.

- b. Percentage of data breaches involving personally identifiable information of customers

0%

- c. Impact, if any, of the data breaches

None of significance



## ANNEXURE 9

# DIVIDEND DISTRIBUTION POLICY

### 1. PREAMBLE:

As per Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI LODR Regulations), it is mandatory for top 1000 listed entities, based on market capitalization (calculated as on March 31 of every financial year) to formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites.

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

Accordingly, the Board of Directors of the Company ("the Board"), in its meeting held on 25<sup>th</sup> May, 2022, has amended the Dividend Distribution Policy of the Company ("the Policy") which endeavors for fairness, consistency and sustainability while distributing profits to the shareholders.

### 2. SCOPE:

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

### 3. OBJECTIVE:

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

### 4. DECLARATION OF DIVIDEND:

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

### 5. THE FACTORS CONSIDERED WHILE RECOMMENDING/DECLARING DIVIDEND:

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

**6. FINANCIAL PARAMETERS CONSIDERED FOR DECLARATION OF DIVIDEND:**

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

- (a) Investment opportunities, i.e., opportunities for expansion and diversification into new projects, acquisitions and/ or any other potential strategic actions that may help the Company grow.
- (b) Liquidity position of the Company.
- (c) Growth in earnings of the Company.
- (d) Restrictions in debt agreements, if any, executed with lenders in relation to the payment of dividends.
- (e) Track record of payment of dividend, historically.
- (f) State of the economy and nature of industry.
- (g) Macro-economic and business conditions in general; and
- (h) Current year profits and outlook in line with the development of internal and external environment.
- (i) Operating cash flows and treasury position.
- (j) Possibilities of alternate usage of cash, e.g. capital expenditure etc., with potential to create greater value for shareholders.
- (k) Providing for unforeseen events and contingencies with financial implications.

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

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

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

**7. UTILISATION OF RETAINED EARNINGS:**

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

**8. AMENDMENTS:**

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

**9. CHANGE IN LAW:**

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

**10. DISCLAIMER:**

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

# Independent Auditors' Report

TO THE MEMBERS OF PRAJ INDUSTRIES LIMITED

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the Standalone Financial Statements of Praj Industries Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2024, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit and other comprehensive income, its changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition	Principle Audit Procedures
The Company is engaged in the business of process and project engineering. The Company recognises revenue from contracts on satisfaction of performance obligations over a period of time. Refer note 2.13 and 28 to the Standalone Financial Statements. There are significant accounting judgements including estimation of costs to complete, determining the stage of completion and the timing of revenue recognition. The Company recognises revenue and profit/loss on the basis of stage of completion based on the proportion of contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion. The recognition of revenue and profit/loss therefore rely on estimates in relation to total estimated costs of each contract. Cost contingencies are included in these estimates to take into account specific uncertain risks, or disputed claims against the Company, arising within each contract. These contingencies are reviewed by the Management on a regular basis throughout the contract life and adjusted where appropriate.	<ol style="list-style-type: none"><li>Testing of the design and implementation of controls involved in the determination of the estimates used as well as their operating effectiveness;</li><li>Testing a sample of contracts for appropriate identification of performance obligations and verification of contract value;</li><li>For the sample selected, matched the contract revenue, actual invoices recorded and actual cost incurred against each project on the basis of which revenue is recognised;</li><li>Reviewed on a test check basis significant changes in cost to complete estimates, its approval mechanism and understood the reasons for such revisions in estimates;</li><li>Understood the process, nature of expense heads and overheads adopted by the Company's management to estimate costs for sample contracts;</li><li>Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings;</li><li>We have ensured that the disclosures provided in notes are in accordance with the Ind AS 115 and Companies Act, 2013.</li></ol>

## Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises of the Management Discussion and Analysis; Board of Directors' Report along with its Annexures and Corporate Governance Report included in the Annual Report but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A; a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books 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 Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 (b) above and refer to our comment in paragraph 2(i)(vi) below, on reporting under rule 11 (g).
  - g) With respect to the adequacy of the internal financial controls with reference to the Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
  - 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/provided by the Company to its directors for the current year is in accordance with the provisions of section 197 of the Act and remuneration paid/provided to directors is not in excess of the limit laid down under this section.
  - 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 the Standalone Financial Statements – Refer Note 27.
    - (ii) The Company has made provision, as required under any law or accounting standards, for material foreseeable losses on long term revenue contracts. The Company did not have material foreseeable losses on any derivative contracts.
    - (iii) There is no delay in amount required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.

- (iv) (a) The management has represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer note 40(vi) to the Standalone Financial Statements.
- (b) The management has represented to us, that, to the best of its knowledge and belief no funds have been received by the Company from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer note 40(vi) to the Standalone Financial Statements.
- (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 under sub-clause i) (iv)(a) and (iv) (b) above contain any material misstatement.
- (v) The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
- (vi) 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 the course of 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. Refer Note 42 to the Standalone Financial Statements.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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

**Abhijeet Bhagwat**  
Partner  
Membership Number: 136835  
UDIN: 24136835BKBGVY7279

Pune  
May 30, 2024

## Annexure A to the Independent Auditors' Report

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

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment.  
(B) The Company is maintaining proper records showing full particulars of intangible assets.
- (b) The Company has a regular program of physical verification of its property, plant and equipment by which its property, plant and equipment are verified in a phased manner over a period of four years. In our opinion, the periodicity of physical verification of property, plant and equipment is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program portion of the property, plant and equipment were verified during the year and according to the information and explanation provided to us by the Management no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, title deeds of immovable properties as disclosed in the Standalone Financial Statements (refer note 3) are held in the name of the Company.
- (d) The Company has chosen cost model for its property, plant and equipment (including Right to Use Assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of property, plant and equipment (including Right to Use Assets) or intangible assets does not arise.
- (e) According to the information and explanations provided to us, there are no proceedings that have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The inventory has been physically verified by the management during the year. For inventory lying with third parties as on the balance sheet date a confirmation statement has been obtained from such parties covering a significant portion. In our opinion, the frequency, coverage and procedure of such verification is reasonable and appropriate. The discrepancies noticed on verification between the physical stocks and the book records were not 10% or more in the aggregate for each class of inventory and have been properly dealt with in the books of account.  
(b) According to the information and explanations provided to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.  

The Management of the Company has provided us with the quarterly returns or statements, which they have represented to us have been filed by the Company with their banks or financial institutions based on the sanction terms. We have compared such quarterly returns or statements with the unaudited books of accounts at the respective quarter end. As informed to us, the Company files March 31, 2024 quarterly return post approval of financials by the Board of Directors. Based on our procedures and in our opinion the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement/reconciled with the books of account of the Company.
- iii. According to the information and explanations provided to us, the Company has made investments in its wholly owned subsidiary company and mutual funds/ bonds. The Company has provided guarantees and has granted unsecured loan to its subsidiary company.
  - (a) According to the information and explanations provided to us, during the year, the Company has provided loan and stood guarantee for its subsidiary company.



(A) & (B)

Aggregate amount given during the year (Rs. Million)	Balance outstanding at the balance sheet date (Rs. Million)	Subsidiaries, joint ventures, associates and others	Nature of transaction
798.500	828.234 (includes interest accrued)	Wholly owned subsidiary company	Unsecured Loan
564.591	1,390.426	Wholly owned subsidiary company	Corporate Guarantees

- (b) According to information and explanation provided to us and in our opinion, the investments made, guarantees provided and terms of loans granted by the Company during the year to its wholly owned subsidiary company are, prima facie; not prejudicial to the interest of the Company.
- (c) According to the information and explanations provided to us, in respect of loans, the schedule of repayment of principal and payment of interest have been stipulated. As per the schedule stipulated there were no repayments or receipts to be made in the current year.
- (d) According to the information and explanations provided to us and based on the terms and conditions of the loans, no amount is overdue.
- (e) According to the information and explanations provided to us, no loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
- (f) According to the information and explanations provided to us, the Company has not granted loans repayable on demand or without specifying any terms or period of repayment during the current year.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act with respect to loans, investments, guarantees and security, as applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules made thereunder or amounts which are deemed to be deposits. Accordingly, reporting on clause 3 (v) of the Order is not applicable.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Act, and are of the opinion that, prima facie, the prescribed records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, during the year, the Company did not have any dues on account of Cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues referred in sub clause (a) above were in arrears as at March 31, 2024, for a period of more than six months from the date they became payable except for the following:

Name of Statute	Nature of Dues	Amount (Rs) Million	Period to which amount relates	Due Date	Date of Payment
The Employees' Provident Fund and Miscellaneous Provisions Act, 1952	Employee and Employer share	0.11	April 2022 to September 2023	15 of next month	Not Paid

Late payment of Provident Fund contribution is due to pendency of linkage between employee Universal Account Number (UAN) and Aadhar Number from an employee which is prerequisite for depositing Provident Fund contribution.

- (b) According to the information and explanations given to us, there are no dues of statutory dues referred in sub clause (a) above as at March 31, 2024, which have not been deposited by the Company on account of disputes, except for the following:



Name of Statue	Nature if Dues	Amount (Rs. Million)	Paid under protest (Rs. Million)	Period to which the amount relates	Forum where the dispute is pending
The Maharashtra Value Added Tax, 2002	MVAT	2.785	0.520	FY 2017-18	Maharashtra Sales Tax Tribunal
The Income Tax Act, 1961	Income Tax	14.174 18.335	Nil	AY 2019-20 AY 2020-2021	CIT Appeals Assistant Commissioner
The Income Tax Act, 1961	Income Tax	1.691	Nil	AY 2021-22	Assistant Commissioner

- viii. According to the information and explanations given to us and records examined by us, there are no transactions which were not recorded in the books of account and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) The Company does not have any loans or borrowings. Accordingly, reporting on clause 3 (ix) (a) of the Order is not applicable.
- (b) According to the information and explanations given to us, our audit procedures and as represented to us by the management, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us, no term loans were availed by the Company in the current year. Accordingly reporting on clause 3 (ix) (c) is not applicable.
- (d) According to the information and explanations given to us, the procedures performed by us, and on an overall examination of the Standalone Financial Statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the Standalone Financial Statements of the Company, we report that the Company has not taken any funds (borrowings) from any entity or person on account of or to meet the obligations of its subsidiaries. The Company does not have any associates or joint ventures.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company does not have any joint ventures or associate companies.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting on clause 3 (x) (a) of the Order is not applicable.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting on clause x(b) is not applicable.
- xi. (a) Based upon the audit procedures performed by us and according to the information and explanation provided to us by the management, no fraud by the Company or no fraud on the Company has been noticed or reported to us during the year.
- (b) According to information and explanation provided to us and based on our examination of records, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and up to the date of this report.
- (c) According to information and explanation provided to us and based on our audit procedures and enquiry with the vigil mechanism committee, there were no whistle-blower complaints received by the Company during the year and up to the date of this report.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting on clause 3 (xii) (a), (b) & (c) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the details

of transactions have been disclosed in the Standalone Financial Statements as required by Ind AS 24 'Related Party Disclosures'. Refer note 30 to the Standalone Financial Statements.

- xiv. (a) According to the information and explanations given to us and in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have taken into consideration the reports made available to us by the management of the Internal Auditors for the period under audit.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with the directors or persons connected with them during the year. Accordingly, reporting on clause 3(xv) of the Order is not applicable.
- xvi. (a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India, 1934. Accordingly, reporting on clause 3(xvi) (b) & (c) of the Order is not applicable.
- (d) According to the information and explanations given to us, there is no Core Investment Company within the Group.
- xvii. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting on clause 3 (xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) According to the information and explanations given to us, there is no amount remaining unspent towards Corporate Social Responsibility (CSR) under sub-section (6) of section 135 of the Act, pursuant to any ongoing project. Accordingly, reporting on clause 3 (xx) (b) is not applicable.

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

**Abhijeet Bhagwat**  
Partner  
Membership Number: 136835  
UDIN: 24136835BKBGVY7279

Pune  
May 30, 2024

## 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 Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to the Standalone Financial Statements of Praj Industries Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Standalone Financial Statements were established and maintained and if such controls operated effectively in all material respects.

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

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

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

A Company's internal financial controls with reference to the Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to the Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to the Standalone Financial Statements and such internal financial controls with reference to the Standalone Financial Statements were operating effectively as at March 31, 2024, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Abhijeet Bhagwat**  
Partner  
Membership Number: 136835  
UDIN: 24136835BKBGVY7279

Pune  
May 30, 2024

# Standalone Balance Sheet as at 31<sup>st</sup> March 2024

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

Particulars	Note no.	31 March 2024	31 March 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	2358.739	2174.182
Capital work-in-progress	3	22.222	65.956
Investment property	3	-	136.928
Intangible assets	3	38.937	38.404
Intangible assets under development	3	401.546	0.763
Financial assets			
Investments	4	2514.567	2413.210
Others	5	261.392	86.226
Deferred tax assets (net)	25D	-	39.314
Other assets	6	3.333	49.494
		<b>5600.736</b>	<b>5004.477</b>
<b>Current assets</b>			
Inventories	7	1704.820	2975.542
Financial assets			
Investments	4	3851.333	4484.407
Trade receivables	8	6758.284	6797.313
Cash and cash equivalents	9	1071.602	590.807
Other bank balances	10	302.900	286.209
Loans	11	798.500	-
Others	5	170.385	188.129
Current tax asset (net)		74.310	41.912
Other assets	6	4895.426	4004.066
Asset classified as held for sale	3	136.928	-
		<b>19764.488</b>	<b>19368.385</b>
<b>TOTAL ASSETS</b>		<b>25365.224</b>	<b>24372.862</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	12	367.626	367.426
Other equity	13	12243.302	10294.427
<b>TOTAL EQUITY</b>		<b>12610.928</b>	<b>10661.853</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Lease Liability	31	213.891	244.554
Provisions	14	160.986	116.218
Deferred tax liabilities (net)	25D	13.032	-
		<b>387.909</b>	<b>360.772</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	15		
(i) Total outstanding dues of micro enterprises and small enterprises		711.504	1038.312
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		3184.793	3408.540
Lease Liability	31	189.165	147.024
Other financial liabilities	16	562.070	358.412
Other current liabilities	17	6995.712	7715.808
Provisions	14	543.719	397.827
Current tax liabilities (net)		179.424	284.314
		<b>12366.387</b>	<b>13350.237</b>
<b>TOTAL LIABILITIES</b>		<b>12754.296</b>	<b>13711.009</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>25365.224</b>	<b>24372.862</b>
Corporate Information	1		
Summary of material accounting policies	2		

As per our report of even date.

For **P G BHAGWAT LLP**  
Chartered Accountants  
Firm Regn. No: 101118W/W100682

**Abhijeet Bhagwat**  
Partner  
Membership No.: 136835  
Place: Pune  
Date: 30 May 2024

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

**Dr. Pramod Chaudhari**  
Executive Chairman  
(DIN : 00196415)

**Shishir Joshipura**  
CEO and Managing Director  
(DIN : 00574970)

**Anant Bavare**  
Company Secretary  
(M.No.: ACS21405)

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

## Standalone Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2024

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

Particulars	Note no.	31 March 2024	31 March 2023
<b>INCOME</b>			
Revenue from operations	18	29895.643	31525.730
Other income	19	684.637	506.357
<b>Total income</b>		<b>30580.280</b>	<b>32032.087</b>
<b>EXPENSES</b>			
Cost of materials consumed	20	17294.886	20920.783
Changes in inventories of finished goods and work-in-progress	21	566.580	(345.199)
Employee benefits expense	22	2749.045	2248.658
Finance costs	23	40.304	42.111
Depreciation and amortisation expense	3	360.245	269.184
Exchange (gain) / loss		(154.597)	(106.613)
Other expenses	24	6076.324	5911.490
<b>Total expenses</b>		<b>26932.787</b>	<b>28940.414</b>
<b>Profit before exceptional items and tax</b>		<b>3647.493</b>	<b>3091.673</b>
<b>Exceptional items</b>		-	-
<b>Profit before tax</b>		<b>3647.493</b>	<b>3091.673</b>
<b>Tax expense</b>	25		
Current tax		803.564	778.559
Deferred tax		64.530	(62.968)
Adjustments of tax relating to earlier periods		(24.826)	-
<b>Total tax expense</b>		<b>843.268</b>	<b>715.591</b>
<b>Profit for the year</b>		<b>2804.225</b>	<b>2376.082</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit and loss:</b>			
Re-measurement of defined benefit plans		(48.661)	(21.320)
Income tax effect		12.247	5.366
<b>Items that will be reclassified to profit and loss</b>			
Debt instruments through other comprehensive income		0.249	(5.261)
Income tax effect		(0.063)	1.324
<b>Other comprehensive income</b>		<b>(36.228)</b>	<b>(19.891)</b>
<b>Total comprehensive income for the year</b>		<b>2767.997</b>	<b>2356.191</b>
<b>Earnings per equity share (Nominal value per share INR 2 each)</b>			
Basic	26	15.26	12.94
Diluted		15.26	12.93
Corporate Information	1		
Summary of material accounting policies	2		

As per our report of even date.

For P G BHAGWAT LLP  
Chartered Accountants  
Firm Regn. No: 101118W/W100682

**Abhijeet Bhagwat**  
Partner  
Membership No.: 136835

Place: Pune  
Date: 30 May 2024

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

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Executive Chairman  
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CEO and Managing Director  
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**Anant Bavare**  
Company Secretary  
(M.No.: ACS21405)

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

## Standalone Statement of Cash Flows for the year ended 31<sup>st</sup> March 2024

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

	31 March 2024	31 March 2023
<b>A. Cash flow from operating activities</b>		
<b>Net profit before tax</b>	<b>3647.493</b>	3091.673
Adjustments for:		
Loss / (profit) on sale of property, plant and equipment	(2.071)	-
Gain on redemption of mutual fund investments	(116.120)	(53.819)
Bad debts / provision for doubtful debts and advances	192.322	173.550
Excess provision / creditors written back (including advances)	(1.857)	(41.210)
Unrealised foreign exchange (gain) / loss (net)	(109.517)	15.105
Depreciation and amortisation	360.245	269.184
Interest earned	(155.281)	(61.314)
Unrealised gain on mutual fund investments	(148.502)	(141.867)
Dividend from mutual fund / Subsidiary	(250.000)	(200.000)
Interest on Lease Liability	37.436	28.089
Interest expense	-	10.639
Equity-settled share-based payment transactions	-	7.848
<b>Operating profit before working capital changes</b>	<b>3454.148</b>	<b>3097.878</b>
<b>Changes in working capital</b>		
Decrease/ (increase) in trade receivables	(107.608)	(2775.510)
(Increase)/decrease in inventories (including contracts in progress)	433.591	(173.458)
(Increase)/decrease in other non-current financial assets	(175.166)	(8.493)
Decrease/(increase) in other non-current assets	8.748	0.996
(Increase)/decrease in current financial assets-others	56.037	48.901
Decrease/(increase) in other current assets	(54.383)	112.771
(Decrease)/increase in trade payables	(545.583)	735.753
(Decrease)/increase in other current financial liabilities	202.337	78.371
(Decrease)/increase in other current liabilities	(720.096)	628.125
(Decrease)/Increase in long term provisions	(3.893)	(59.718)
(Decrease)/Increase in short term provisions	145.892	195.227
<b>Cash generated from operations</b>	<b>2694.024</b>	<b>1880.843</b>
Direct taxes paid (including taxes deducted at source), net of refunds	(916.025)	(570.000)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>1777.999</b>	<b>1310.843</b>

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

	31 March 2024	31 March 2023
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(671.871)	(340.097)
Investments:		
- in subsidiaries	(0.500)	-
- in mutual funds	(4003.210)	(4231.505)
- in debentures & bonds	(347.079)	(883.252)
Sale of investments		
- in mutual funds	5111.577	4134.858
- in debentures and bonds	285.801	399.835
Proceeds from sale of property, plant and equipment	5.937	2.095
Interest received on investments	133.148	63.135
Dividend received on investments/ from subsidiary	250.000	200.000
Loans Given to Subsidiary	(798.500)	-
(Investment) /redemption in fixed deposits	(266.536)	(8.168)
<b>NET CASH FROM / (USED) IN INVESTING ACTIVITIES</b>	<b>(301.233)</b>	<b>(663.099)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from exercise of employee stock options	9.000	3.600
Dividend paid	(826.601)	(771.073)
Interest on Lease Liability	(37.436)	(28.089)
Principal payment on Leases	(185.490)	(111.790)
<b>NET CASH FROM / (USED) IN FINANCING ACTIVITIES</b>	<b>(1040.527)</b>	<b>(907.352)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>436.239</b>	<b>(259.608)</b>
<b>Cash and cash equivalents at the beginning of the year (Refer Note 9)</b>	<b>590.807</b>	<b>782.092</b>
<b>Add: effect of exchange rate changes on cash and cash equivalents</b>	<b>44.556</b>	<b>68.323</b>
<b>Cash and cash equivalents at the end of the year (Refer Note 9)</b>	<b>1071.602</b>	<b>590.807</b>
<b>Notes:</b>		
Cash outflow related to Corporate Social Responsibility (CSR) activities disclosed in Note No. 35		
The statement of cash flows has been prepared under the 'Indirect method' as set out in Ind AS 7 - Statement of Cash Flows		

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For P G BHAGWAT LLP  
Chartered Accountants  
Firm Regn. No: 101118W/W100682

**Abhijeet Bhagwat**  
Partner  
Membership No.: 136835

Place: Pune  
Date: 30 May 2024

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

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(DIN : 00196415)

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**Anant Bavare**  
Company Secretary  
(M.No.: ACS21405)

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



## Standalone Statement of changes in equity for the year ended 31<sup>st</sup> March 2024

(Amounts in Indian Rupees million unless otherwise stated)

### A. Equity share capital

	Changes in equity share capital during the year	Balance as on 31 March 2023
<b>Balance as on 1 April 2022</b>	0.080	367.426
<b>Balance as on 1 April 2023</b>	0.200	367.626

### B. Other equity

Particulars	Reserves and Surplus							Total		
	Capital Reserve	Securities Premium Reserve	Other Reserves			Share option outstanding account	Special Economic Zone Re-investment Reserve		General reserve	Retained earnings
<b>Balance at the beginning of the reporting period as at 1 April 2022</b>	0.033	1025.997	14.627	3.063	29.355	322.500	956.511	6345.044	-	8697.130
Profit for the year								2376.082		2376.082
Other comprehensive income								(15.954)	(3.937)	(19.891)
Dividends								(770.260)		(770.260)
Transfer to retained earnings										-
Employee stock options exercised during the year		14.150			(10.632)					3.518
Equity settled share based payment to employees					7.848					7.848
Employee stock options expired and transferred to/from statement of profit and loss									-	-
Adjustments to Opening Retained Earnings - Ind AS 116									-	-
Transfer to/from Special Economic Zone Re-investment Reserve						(159.500)		159.500		-
<b>Balance as at 31 March 2023</b>	<b>0.033</b>	<b>1040.147</b>	<b>14.627</b>	<b>3.063</b>	<b>26.571</b>	<b>163.000</b>	<b>956.511</b>	<b>8094.412</b>	<b>(3.937)</b>	<b>10294.427</b>

Particulars	Reserves and Surplus							Total		
	Capital Reserve	Securities Premium Reserve	Other Reserves			General reserve	Retained earnings		Debt instruments through Other Comprehensive Income	
			Capital redemption reserve	Amalgamation reserve	Share option outstanding account					Special Economic Zone Re-investment Reserve
<b>Balance at the beginning of the reporting period as at 1 April 2023</b>	0.033	1040.147	14.627	3.063	26.571	163.000	956.511	8094.412	(3.937)	10294.427
Profit for the year								2804.225		2804.225
Other comprehensive income								(36.414)	0.186	(36.226)
Dividends								(827.924)		(827.924)
Transfer to retained earnings										
Employee stock options exercised during the year		35.371			-					35.371
Equity settled share based payment to employees					(26.571)					(26.571)
Employee stock options expired and transferred to/from statement of profit and loss										
Adjustments to Opening Retained Earnings - Ind AS 116										
Transfer to/from Special Economic Zone Re-investment Reserve						(163.000)		163.000		
<b>Balance as at 31 March 2024</b>	0.033	1075.518	14.627	3.063	-	-	956.511	10197.301	(3.751)	12243.302

As per our report of even date.

**For P G BHAGWAT LLP**  
Chartered Accountants  
Firm Regn. No: 101118W/W100682

**Abhijeet Bhagwat**  
Partner  
Membership No.: 136835

Place: Pune  
Date: 30 May 2024

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

**Dr. Pramod Chaudhari**  
Executive Chairman  
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**Sachin Raole**  
CFO and Director - Resources  
(DIN : 00431438)

**Anant Bavare**  
Company Secretary  
(M.No.: ACS21405)

# Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

## 1 The corporate overview

Praj Industries Limited ('PIL' or 'the Company') is a public company domiciled in India and incorporated under the provisions of Indian Companies Act. The Company's registered office is at "Praj Tower", S. No. 274 and 275/2, Bhumkar Chowk-Hinjewadi road, Hinjewadi, Pune – 411057, Maharashtra, India. The Company's ordinary shares are listed on the Bombay Stock Exchange and National Stock Exchange in India.

The Company is engaged in the business of process and project engineering. The Company caters to both domestic and international markets. Further, the Company also provides design and engineering services.

## 2 Material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation

The financial statements of the Company comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the Act), [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The Company has elected to present (gains) or losses arising from foreign exchange differences in a separate line item "Exchange (gain)/ loss" on the face of the statement of profit and loss.

The financial statements were authorised for issue by the Board of Directors on 30 May 2024.

### 2.2 Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following items, which are measured on an alternative basis on each reporting date.

Items	Measurement basis
Derivative financial instruments at fair value through profit or loss	Fair value
Certain non-derivative financial instruments at fair value through profit or loss and fair value through other comprehensive income	Fair value
Equity-settled share based payment transactions	Grant date fair value
Defined benefit plan assets	Fair value

### 2.3 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All amounts have been rounded-off to the nearest million, as per the requirements of Schedule III, unless otherwise stated.

### 2.4 Significant accounting judgments, estimates and assumptions

The preparation of the standalone financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities and disclosure of the contingent liabilities at the end of each reporting period. Actual results may differ from these estimates.

Detailed information about each of these estimates and judgements is included in relevant notes.

The areas involving critical estimates and judgements are:

- Estimation of defined benefit obligation – Note 32

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Information about the various estimates and assumptions made in determining the present value of defined benefit obligations are disclosed in note 32.

- Recognition of revenue – Note 28

The Company uses the percentage-of-completion method in accounting for fixed-price contracts for projects. Use of the percentage-of-completion method requires the Company to determine the actual efforts or costs expended to date as a proportion of the estimated total efforts or costs to be incurred. Efforts or costs expended are used

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

to measure progress towards completion as there is a direct relationship between input and productivity. The estimation of total efforts or costs involves significant judgment and is assessed throughout the period of the contract to reflect any changes based on the latest available information.

- Recognition of deferred tax assets – Note 25

The Company uses judgement based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

- Impairment of trade receivables – Note 37

The Company uses simplified approach for recognising expected credit loss. The amount of provision depends on certain parameters set by the Company in its provisioning policy. The setting up of parameters requires significant judgement and estimation. The same is reviewed by the management at a regular frequency.

Estimation and underlying assumptions are reviewed on ongoing basis. Revisions to estimates are recognised prospectively.

### 2.5 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### 2.6 Property, plant and equipment

- **Recognition and measurement**

Items of property, plant and equipment are measured at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment under construction are disclosed as capital work-in-progress.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are disclosed under 'Other non-current assets'.

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

- **Subsequent costs**

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss as incurred.

- **Disposal**

An item of property, plant and equipment is derecognised upon disposal or when no future benefits are expected from its use or disposal. Net gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised within other income/ expenses in the statement of profit and loss.

- **Depreciation**

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment as prescribed in Schedule II of the Companies Act, 2013, as assessed by the management of the Company based on technical evaluation. Freehold land is not depreciated.

Property, plant and equipment acquired under finance leases is depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

<b>Asset</b>	<b>Useful life (in years)</b>
Buildings	30-60
Plant and machinery	7.5-15
Computers and office equipment	3-5
Vehicles	8
Furniture and fixtures	10

### 2.7 Intangible assets

- **Recognition and measurement**

Intangible assets are recognised when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

- **Internally generated intangible asset**

Research costs are charged to the statement of profit and loss in the year in which they are incurred.

Product development costs incurred on new products including pilot plants are recognised as intangible assets, when feasibility has been established, the Company has committed technical, financial and other resources to complete the development and it is probable that the asset will generate future economic benefits.

The cost of an internally generated intangible asset is the sum of directly attributable expenditure incurred from the date when the intangible asset first meets the recognition criteria to the completion of its development.

Interest cost incurred is capitalised up to the date the asset is ready for its intended use for qualifying assets, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings if no specific borrowings have been incurred for the asset.

Product development expenditure is measured at cost less accumulated amortisation and impairment, if any.

Amortisation is not recorded on product engineering in progress until development is complete.

Intangible assets that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

- **Subsequent measurement**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

- **Amortisation**

Amortisation is calculated on the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for current and comparative periods are as follows:

Asset	Useful life
Technical know-how	5 - 10 years
Software	5 years
Demo / Pilot Plants for new technology	5 - 10 years

### 2.8 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property.

Investment property is initially measured at cost, including related transaction costs. The cost of investment property includes its purchase price and directly attributable expenditure, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Subsequent to the initial recognition, investment property is stated at cost less accumulated depreciation and accumulated impairment loss, if any. Depreciation on investment property has been provided in a manner that amortises the cost of the assets over their estimated useful lives on the straight line method as per the useful life prescribed under Schedule II to the Act. Investment property in the form of land is not depreciated.

Investment property is derecognised either when it is disposed off or permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

### 2.9 Non-current asset held for sale

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

### 2.10 Impairment of non-financial assets

The Company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in the statement of profit and loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of other assets in the CGU on a pro rata basis.

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 2.11 Inventories

Raw materials, components, stores and spares, work-in-progress and finished goods are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost of raw materials, components, stores and spares comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated based on normal operating capacity. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory based on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### 2.12 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### 2.13 Revenue recognition

Revenue is recognised when performance obligation is satisfied by transferring control of promised goods or services and to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the transaction price (consideration) allocated to performance obligation adjusted for returns, trade allowances, rebates, and excludes taxes collected from customer on behalf of government and amounts collected on behalf of third parties.

- **Contract revenue**

Revenue from fixed price contracts is recognised over time, when the outcome of the contract can be estimated reliably by reference to the percentage of completion of the contract on the reporting date under input method. Percentage of completion is determined as a proportion of costs incurred-to-date to the total estimated contract costs. In respect of process technology and design and engineering contracts percentage of completion is measured with reference to the milestones specified in the contract, which in the view of the management reflects the work performed and to the extent it is reasonably certain of recovery.

Contract costs include costs that relate directly to the specific contract and costs that are attributable to the contract activity and allocable to the contract. Costs that cannot be attributed to contract activity are expensed when incurred.

When the final outcome of a contract cannot be reliably estimated, contract revenue is recognised only to the extent of costs incurred that are expected to be recoverable. The provision for expected loss is recognised immediately when it is probable that the total estimated contract costs will exceed total contract revenue.

Variations, claims and incentives are recognised as a part of contract revenue to the extent it is probable that they will result in revenue and are capable of being reliably measured.

Determination of revenues under the percentage of completion method necessarily involves making estimates by the Company, some of which are of a technical nature, concerning, where relevant, the percentage of completion, costs to completion, the expected revenues from the project / activity and the foreseeable losses to completion.

Execution of contracts generally extends beyond accounting periods, the revision in costs and revenues estimated during the course of the contract are reflected in the accounting period in which the facts requiring the revision become known.

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

- **Sale of goods and rendering of services**

Revenue from sale of goods in the course of ordinary activities is recognised when control of goods is transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection.

Revenue from services is recognised as and when the related services are performed.

### 2.14 Other income

- **Interest income**

Interest income from debt instruments is recognised using effective interest rate method (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

- **Dividends**

Dividends are recognised in the statement of profit and loss only when the right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and when the amount can be measured reliably.

- **Export benefits**

Export benefits in the form of Duty Draw Back / Merchandise Exports Incentive Scheme (MEIS) / Service Exports Incentive Scheme (SEIS) claims are recognised in the statement of profit and loss on receipt basis.

### 2.15 Foreign currency transactions and balances

Transactions in foreign currency are recorded at exchange rates prevailing at the date of the transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting period are translated at the closing exchange rates and the resultant exchange differences are recognised in the statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

### 2.16 Employee benefits

- **Short-term employee benefit**

Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised in the period in which the employee renders the related service.

- **Post-employment benefits**

**Defined contribution plans**

Contributions to the provident fund, pension scheme, employee state insurance scheme and superannuation fund, which are defined contribution schemes, are recognised as an employee benefit expense in the statement of profit and loss in the period in which the contribution is due.

**Defined benefit plans**

The employees' gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the reporting date, having maturity periods approximating to the terms of related obligations.



## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding effect to retained earnings through other comprehensive income (OCI) in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises gains/ losses on settlement of a defined plan when the settlement occurs.

### **Other long-term employee benefits**

The liabilities for earned leave are not expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method as determined by actuarial valuation. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### **Termination benefits**

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are stated at their present fair value.

## **2.17 Share-based payments**

The grant fair value of equity settled share based payment awards granted to employees is recognised as employee benefit expense with corresponding increase in equity. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are required to be satisfied. At the end of each reporting period, the Company revises its estimates of the number of options that are expected to vest based on the service and non-vesting conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit and loss, with a corresponding adjustment to equity.

## **2.18 Leases**

Lease is a contract that provides to the customer (lessee) the right to use an asset for a period of time in exchange for consideration.

### **a. Company as a Lessee**

A lessee is required to recognise assets and liabilities for all leases and to recognise depreciation of leased assets separately from interest on lease liabilities in the statement of profit and loss. The Company uses the practical expedient to apply the requirements of Ind AS 116 - Leases to a portfolio of leases with similar characteristics if the effect on the financial statements of applying to the portfolio does not differ materially from applying the requirement to individual leases within that portfolio.

However, according to Ind AS 116, the Company has elected not to recognise right-of-use assets and lease liabilities for leases with a lease term of 12 months or less (short-term leases) and for leases for which the underlying asset is of low value. The lease payments associated with these leases are generally recognized as an expense on a straight-line basis over the lease term or another systematic basis if appropriate.

### **a.1 Right to use asset**

Right-of-use assets, which are included under property, plant and equipment, are measured at cost less any accumulated depreciation and, if necessary, any accumulated impairment. The cost of a right-of-use asset comprises the present value of the outstanding lease payments plus any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs and an estimate

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

of costs to be incurred in dismantling or removing the underlying asset. In this context, the Company also applies the practical expedient that the payments for non-lease components are generally recognized as lease payments. If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the right-of-use asset is depreciated to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated to the end of the lease term.

### a.2 Lease liability

Lease liabilities, which are assigned to financing liabilities, are measured initially at the present value of the lease payments. Subsequent measurement of a lease liability includes the increase of the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

### b. Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Company is a lessor under an operating lease, the asset is capitalised within property, plant and equipment and depreciated over its useful economic life. Payments received under operating leases are recognised in the Statement of profit and Loss on a straight-line basis over the term of the lease.

#### Critical accounting estimates and judgements

Critical judgements required in the application of Ind AS 116 may include, inter-alia, the following:

- Identifying whether a contract (or part of a contract) includes a lease;
- Determining whether it is reasonably certain that an extension or termination option will be exercised;
- Classification of lease agreements (when the entity is a lessor);
- Determination of whether variable payments are in-substance fixed;
- Establishing whether there are multiple leases in an arrangement;
- Determining the stand-alone selling prices of lease and non-lease components.

Key sources of uncertainty in estimation in the application of Ind AS 116 may include, inter-alia, the following:

- Estimation of the lease term;
- Determination of the appropriate rate to discount lease payments;
- Assessment of whether a right-of-use asset is impaired.

### 2.19 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

### 2.20 Income tax

Income tax expense comprise current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

#### • Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off current tax assets against current tax liabilities and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

- **Deferred tax**

Deferred tax is provided using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

In situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

### 2.21 Provisions and contingencies

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in the statement of profit and loss.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- present obligation arising from past events, when no reliable estimate is possible

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

- a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent asset is not recognised in the financial statements. A contingent asset is disclosed, where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

### 2.22 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

While calculating diluted EPS, below adjustments are carried out to basic EPS:

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### 2.23 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 2.24 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial assets

##### Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss);
- those measured at amortised cost.

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.

For assets measured at fair value, gains and losses are recorded in the statement of profit and loss or OCI. For investments in debt instruments, this will depend on the business model in which investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for equity investment at fair value through OCI.

The Company classifies debt investments when and only when its business model for managing those assets changes.

### Measurement

All financial assets are initially measured at fair value except trade receivables, as the trade receivables does not contain significant financing component they are initially measured at transaction price. In case of financial assets not recorded at fair value through profit or loss, transaction cost is attributed to the acquisition value of the financial asset. Transaction cost of financial assets carried at fair value through profit or loss is expensed in the statement of profit and loss.

### Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

#### Debt instruments at amortised cost

A debt instrument is measured at the amortised cost if both the following conditions are satisfied:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- The contractual terms of the asset give rise on specified dates to cash flows that are solely the payments of principal and interest (SPPI) on the principal amount outstanding.

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of hedging relationship is recognised in the statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using effective interest rate (EIR) method.

#### Debt instruments at fair value through other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVTOCI. The movements in the carrying amount are recognised through OCI, except for the recognition of impairment gains and losses, interest revenue and foreign exchange gain or losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss and recognised in other gains / losses. Interest income from these financial assets is included in other income using EIR method.

#### Debt instruments at fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL and is not a part of hedging relationship is recognised in the statement of profit and loss within other gains / losses in the period in which it arises. Interest income from these financial assets is included in other income.

### Equity investments

All equity investments falling within the definition of "Financial Instruments" as defined in 'Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to recognise subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no re-classification of the amounts from OCI to the statement of profit and loss, even on sale of equity instrument.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

### Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial assets.

### Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 37 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables alone, the Company applies the simplified approach permitted by 'Ind AS 109 - Financial instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

### Non-derivative financial liabilities

#### Recognition

The Company initially recognises borrowings, trade payables and related financial liabilities on the date on which they are originated.

All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

#### Measurement

Non-derivative financial liabilities are initially recognised at fair value, net of transaction costs incurred. Subsequent to initial recognition, these liabilities are measured at amortised cost using EIR method.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with 'Ind AS 37 - Provisions, contingent liabilities and contingent assets' and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### 2.25 Cash dividend to equity holders

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act, 2013, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### 2.26 Government grant

Government grants are recognised at their fair value when there is a reasonable assurance that the grant will be received and Company will comply with all attached conditions.

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with costs that they are intended to compensate and are presented within other income.

Government grants relating to purchase of property, plant and equipment are initially recognised as deferred income at fair value and subsequently recognised in the statement of profit and loss on a systematic basis over the useful life of the asset.

### **2.27 Standards issued but not effective**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

### 3 Property, plant and equipment, intangible assets, investment property, capital work-in-progress and intangible asset under development

	Property, plant and equipment										Intangible Assets			Investment property	Grand total					
	Land		Buildings		Plant and machinery		Computers and office equipment		Vehicles		Furniture and fixtures		Total	Technical knowhow		Software	Land (Freehold)			
	Leasehold Refer note 1	Right-of-Use	Owned	Right-of-Use	Owned	Right-of-Use	Owned	Right-of-Use	Owned	Right-of-Use	Owned	Right-of-Use								
<b>Gross block</b>																				
As at 1 April 2023	11,000	243,955	363,850	1305,614	129,553	1840,300	39,823	320,398	131,639	46,274	56,659	246,949	57,100	4793,114	93,753	140,558	234,311	136,928	5164,353	
Additions during the year	-	-	-	68,755	42,594	242,528	64,724	17,387	18,863	0,619	69,923	11,407	0,864	537,663	-	11,538	11,538	-	549,201	
Deletions during the year	-	-	-	-	-	1,904	-	0,957	11,761	18,247	3,350	-	-	36,219	-	-	-	-	36,219	
classified as asset held for sale <sup>3</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	136,928	136,928	
<b>As at 31 March 2024</b>	<b>11,000</b>	<b>243,955</b>	<b>363,850</b>	<b>1374,369</b>	<b>172,147</b>	<b>2080,924</b>	<b>104,547</b>	<b>336,828</b>	<b>138,741</b>	<b>28,646</b>	<b>123,232</b>	<b>258,356</b>	<b>57,964</b>	<b>5294,558</b>	<b>93,753</b>	<b>152,096</b>	<b>245,849</b>	<b>-</b>	<b>5540,407</b>	
<b>Accumulated depreciation and amortisation</b>																				
As at 1 April 2023	1,249	203,970	-	449,558	28,499	1318,979	0,111	292,277	63,078	34,644	8,712	217,699	0,156	2618,932	93,386	102,521	195,907	-	2814,839	
Charge for the year	0,123	21,487	-	48,280	59,887	105,679	11,306	14,209	43,264	3,364	23,882	6,337	11,422	349,240	0,367	10,638	11,005	-	360,245	
Depreciation on deletions	-	-	-	-	-	1,904	-	0,957	11,761	16,459	1,271	-	-	32,353	-	-	-	-	32,353	
<b>As at 31 March 2024</b>	<b>1,372</b>	<b>225,457</b>	<b>-</b>	<b>497,838</b>	<b>88,386</b>	<b>1422,754</b>	<b>11,417</b>	<b>305,529</b>	<b>94,581</b>	<b>21,549</b>	<b>31,321</b>	<b>224,036</b>	<b>11,578</b>	<b>2935,819</b>	<b>93,753</b>	<b>113,159</b>	<b>206,912</b>	<b>-</b>	<b>3142,731</b>	
<b>Net carrying value</b>																				
As at 31 March 2024	9,628	18,498	363,850	876,531	83,761	658,170	93,130	31,298	44,159	7,097	91,911	34,320	46,386	2358,739	-	38,937	38,937	-	2397,676	
As at 31 March 2023	9,751	39,985	363,850	856,056	101,054	521,321	39,712	28,121	68,561	11,630	47,947	29,250	56,944	2174,182	0,367	38,037	38,404	136,928	2349,514	

Note:

- The land has been taken on a long term lease i.e. for 99 years.
- Refer Note 27 for contractual commitments for the acquisition of property plant and equipment.
- Before reporting date, the Management confirm their intention to sale land located at Nasrapur, Pune. Therefore the said investment property is classified as asset held for sale. It is measured at the lower of carrying amount and fair value less cost to sell.
- The title deeds of immovable properties are held in the name of the Company



## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

### 3 Property, plant and equipment, intangible assets, investment property, capital work-in-progress and intangible asset under development

	Property, plant and equipment										Intangible Assets			Investment property					
	Land		Buildings		Plant and machinery		Computers and office equipment		Vehicles		Furniture and fixtures		Total	Technical knowhow	Software	Total	Land (Freehold)	Grand total	
	Leasehold Refer note 1	Right-of-Use	Owned	Right-of-Use	Owned	Right-of-Use	Owned	Right-of-Use	Owned	Right-of-Use	Owned	Right-of-Use							
<b>Gross block</b>																			
As at 1 April 2022	11,000	243,955	363,850	1,290,704	-	1,662,107	-	302,964	96,756	45,202	-	228,263	-	93,753	105,159	198,912	136,928	4,580,641	
Additions during the year	-	-	-	14,910	129,553	180,288	39,823	17,434	47,799	1,072	56,659	18,686	57,100	-	35,399	35,399	-	598,723	
Deletions during the year	-	-	-	-	-	2,095	-	-	12,916	-	-	-	-	-	-	-	-	-	15,011
<b>As at 31 March 2023</b>	<b>11,000</b>	<b>243,955</b>	<b>363,850</b>	<b>1,305,614</b>	<b>129,553</b>	<b>1,840,300</b>	<b>39,823</b>	<b>320,398</b>	<b>131,639</b>	<b>46,274</b>	<b>56,659</b>	<b>246,949</b>	<b>57,100</b>	<b>93,753</b>	<b>140,558</b>	<b>234,311</b>	<b>136,928</b>	<b>5,164,353</b>	
<b>Accumulated depreciation and amortisation</b>																			
As at 1 April 2022	1,126	182,483	-	406,061	-	1,225,968	-	282,242	31,402	29,800	-	210,584	-	92,846	96,059	188,905	-	2,558,571	
Charge for the year	0,123	21,487	-	43,497	28,499	93,011	0,111	10,036	44,591	4,844	8,712	7,115	0,156	0,540	6,462	7,002	-	269,184	
Depreciation on deletions	-	-	-	-	-	-	-	-	12,916	-	-	-	-	-	-	-	-	-	12,916
<b>As at 31 March 2023</b>	<b>1,249</b>	<b>203,970</b>	<b>-</b>	<b>449,558</b>	<b>28,499</b>	<b>1,318,979</b>	<b>0,111</b>	<b>292,277</b>	<b>63,078</b>	<b>34,644</b>	<b>8,712</b>	<b>217,699</b>	<b>0,156</b>	<b>93,386</b>	<b>102,521</b>	<b>195,907</b>	<b>-</b>	<b>2,814,839</b>	
<b>Net carrying value</b>																			
As at 31 March 2023	9,751	39,985	363,850	856,056	101,054	521,321	39,712	28,121	68,561	11,630	47,947	29,250	56,944	0,367	38,037	38,404	136,928	2,349,514	
As at 31 March 2022	9,874	61,472	363,850	884,643	-	436,139	-	20,722	65,354	15,402	-	17,679	-	0,907	9,100	10,007	136,928	2,022,070	

Note:

- The land has been taken on a long term lease i.e. for 99 years.
- Refer Note 27 for contractual commitments for the acquisition of property plant and equipment.
- The title deeds of immovable properties are held in the name of the Company

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

### 3 Property, plant and equipment, intangible assets, investment property, capital work-in-progress and intangible asset under development

#### Details of capital work-in-progress and intangible assets under development

Particulars	31 March 2024		31 March 2023	
	Capital work-in-progress	Intangible assets under development	Capital work-in-progress	Intangible assets under development
Balance at start of the year	65.956	0.763	14.261	6.656
Add: Additions during the year	218.404	400.783	56.196	-
Less: Capitalised/expense out during the year	262.138	-	4.501	5.893
Balance at the end of the year	22.222	401.546	65.956	0.763

#### i. Capital work-in-progress (CWIP) comprises of:

- a. Building under construction INR 14.371 (31 March 2023 : 47.052)
- b. Computer INR Nil (31 March 2023 : INR 2.577)
- c. Plant & Machinery not ready to use INR 2.300 (31 March 2023 : INR 16.327)
- d. Furniture & Fixture under construction INR 5.551 (31 March 2023 : Nil)

#### ii. Intangible asset under development comprises of:

- a. 100 TPD Lactic Acid pilot plant for new technology under development at Jejuri location of INR 398.496 (31 March 2023: Nil). (Refer Note 2.7 for internally generated intangible assets)
- b. software under development of INR 3.050 (31 March 2023: 0.763)

Refer Note 38C for ageing

#### Investment property: Details of Fair Value

Particulars	Land
Fair value as at 31 March 2023	408.026

During previous year, the Company had obtained independent valuation for its investment property from a government approved valuer who is a specialist in valuing these types of investment properties.

The valuation has been made with reference to the prevailing market rates and using the approved valuation method.

All resulting fair value estimates for investment property are considered as level 3.

During the year, the Company has classified the investment property as held for sale.

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

	31 March 2024	31 March 2023
<b>4 Investments</b>		
<b>Non-current investments</b>		
<b>(i) Trade investments</b>		
<b>Unquoted equity investments</b>		
<b>Investments in subsidiaries (valued at cost)</b>		
Praj Engineering & Infra Limited 308,810 (31 March 2023 : 308,750) equity shares of INR 10 each fully paid	<b>5.359</b>	5.359
Praj Far East Co., Limited, Thailand 19,598 (31 March 2023 : 19,598) equity shares of Thai Baht 100 each fully paid and 78,400 (31 March 2023 : 78,400) equity shares of Thai Baht 100 each partly paid	<b>6.125</b>	6.125
Praj Americas Inc. 40,000 (31 March 2023 : 40,000) equity shares of US Dollar 5 each fully paid	<b>9.281</b>	9.281
Praj HiPurity Systems Limited 5,000,000 (31 March 2023: 5,000,000) equity shares of INR 10 each fully paid	<b>1536.743</b>	1536.743
Praj Far East Philippines Ltd Inc. 8,313,281 equity shares of 1PHP each (31 March 2023 : 8,313,281)	<b>11.167</b>	11.167
Praj GenX Limited 250,000 (31 March 2023 : NIL) equity shares of INR 2 each fully paid	<b>0.500</b>	-
<b>Total</b>	<b>1569.175</b>	1568.675
Less: Provision for Impairmanet	-	-
	<b>1568.675</b>	1568.675
<b>(ii) Investments at amortised cost</b>		
<b>Quoted investments in non-convertible debentures / bonds:</b>		
10 Bonds issued by HDFC Bank Limited Unsecured Non-Convertible Bonds Basel III Tier 2, Coupon 7.84% (31 March 2023 : 10 bonds)	<b>102.267</b>	100.084
2,500 Bonds issued by HDB Financial Services Limited Unsecured Non-Convertible Bonds Coupon 7.99% (31 March 2023 : 2,500 bonds)	<b>250.000</b>	250.000
100 Bonds issued by HDB Financial Services Limited Unsecured Non-Convertible Bonds Coupon 6% (31 March 2023 : Nil)	<b>98.425</b>	-
<b>Total</b>	<b>450.692</b>	350.084

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

	31 March 2024	31 March 2023
<b>(iii) Investments at fair value through other comprehensive income (FVOCI)</b>		
<b>Quoted investments in non-convertible debentures / bonds:</b>		
250 Bonds issued by SBI Bank Unsecured Non-Convertible Perpetual Bonds Series IV, Coupon 7.73% (31 March 2023 : 250 bonds)	247.292	247.075
50 Bonds issued by State Bank of India Unsecured Non-Convertible Perpetual Bonds Series II, Coupon 7.73% (31 March 2023 : 50 bonds)	49.458	49.472
90 Bonds issued by State Bank of India Unsecured Non-Convertible Perpetual Bonds Series I, Coupon 7.74% (31 March 2023 : 90 bonds)	89.140	89.125
30 Bonds issued by State Bank of India Unsecured Non-Convertible Perpetual Bonds Series I, Coupon 7.74% (31 March 2023 : 30 bonds)	29.715	29.709
50 Bonds issued by State Bank of India Unsecured Non-Convertible Perpetual Bonds Series I, Coupon 7.74% (31 March 2023 : 50 bonds)	49.522	49.514
3 Bonds issued by State Bank of India Unsecured Non-Convertible Perpetual Bonds (31 March 2023 : 3 bonds)	29.573	29.556
<b>Total</b>	<b>494.700</b>	<b>494.451</b>
<b>Total non-current</b>	<b>2514.567</b>	<b>2413.210</b>
<b>Current investments</b>		
<b>(i) Investments at fair value through profit and loss (FVTPL)</b>		
<b>Quoted mutual funds</b>		
SBI MAGNUM ULTRA SHORT DURATION FUND DIRECT GROWTH - NIL Units ( 31 March 2023 : 30,705.283 Units )	-	158.391
UTI MONEY MARKET FUND - DIRECT GROWTH PLAN - NIL Units ( 31 March 2023 : 14,794.600 Units )	-	56.932
IDFC FLOATING RATE FUND DIRECT PLAN-GROWTH - 9,999,500.025 Units ( 31 March 2023 : 9,999,500.025 Units )	117.984	109.834
UTI FLOATER FUND-DIRECT GROWTH PLAN -GROWTH - 81,739.196 Units ( March 2023 : 81,739.196 Units )	116.511	108.266
ADITYA BIRLA SUN LIFE FLOATING RATE FUND-GROWTH-DIRECT PLAN - 710,730.268 Units ( March 2023 : 710,730.268 Units )	226.966	210.229
ICICI PRUDENTIAL SAVING FUND - GROWTH 1525 - 116,649.927 Units ( March 2023 : 116,649.927 Units )	57.569	53.366
HSBC ULTRA SHORT DURATION FUND DIRECT GROWTH UCC - 4,393.345 Units ( March 2023 : 4,393.345 Units)	5.494	5.112
UTI ARBITRAGE FUND -DIRECT GROWTH PLAN- 1,707,133.447 Units (31 March 2023 : 1,707,133.447 Units)	57.924	53.540
SBI ARBITRAGE OPPORTUNITIES FUND - DIRECT PLAN -GROWTH - 1,559,108.773 Units (March 2023 : NIL Units )	51.036	-
NIPPON INDIA ARBITRAGE FUND -DIRECT GROWTH PLAN GROWTH OPTION - 1,921,089.240 Units (March 2023 : NIL Units)	50.210	-
KOTAK MONEY MARKET FUND-DIRECT PLAN-GROWTH- NIL Units (31 March 2023 : 41,591.271 Units)	-	159.226
TATA MONEY MARKET FUND GROWTH PLAN-GROWTH - NIL Units (31 March 2023 : 13,219.932 Units)	-	53.515
AXIS-CPSE PULS SDL 2025 70:30 DEBT INDEX FUND DIRECT GROWTH (CS-DG) - NIL Units (31 March 2022 : 4,999,750.012 Units)	-	51.828
UTI MONEY MARKET FUND-DIRECT PLAN-GROWTH- NIL Units (31 March 2023 : 78,573.903 Units)	-	207.032

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

	31 March 2024	31 March 2023
TATA MONEY MARKET FUND GROWTH PLAN-GROWTH- NIL Units (31 March 2023 : 26,1717.747 Units)	-	105.945
ICICI PRUDENTIAL MONEY MARKET FUND DIRECT GROWTH-DIRECT PLAN- NIL Units (31 March 2023 : 326,168.043 Units)	-	105.779
AXIS MONEY MARKET FUND DIRECT GROWTH (MM-DG)- NIL Units (31 March 2023 : 169,198.493 Units)	-	206.018
ADITYA BIRLA SUN LIFE MONEY MANAGER FUND - GROWTH-DIRECT PLAN - NIL Units (31 March 2023 : 434,390.567 Units)	-	137.352
ADITYA BIRLA SUN LIFE CRISIL AAA JUN 2023 INDEX FUND DIRECT GROWTH- NIL Units (31 March 2023 : 4,981,567.291 Units)	-	52.463
NIPPON MONEY MARKET FUND-DIRECT GROWTH OPTION(LQAGG) - 13,091.087 Units (31 March 2023 : 44,762.801 Units)	<b>50.025</b>	158.797
FRANKLIN INDIA SAVING FUND RETAIL OPTION-DIRECT PLAN-GROWTH- 6,700,425.676 Units (31 March 2023 : 2,290,400.686 Units)	<b>315.618</b>	100.225
FRANKLIN INDIA SAVING FUND SUPER INSTITUTIONAL PLAN-DIRECT PLAN-GROWTH- 31,266.548 Units (31 March 2023 : 31,266.548 Units)	<b>113.400</b>	105.736
KOTAK SAVINGS FUND-DIRECT PLAN-GROWTH- NIL Units (31 March 2023 : 4,169,052.421 Units )	-	158.708
HDFC ULTRA SHORT TERM FUND-DIRECT GROWTH- 3,558,591.590 Units (31 March 2023: 19,853,664.549 Units)	<b>50.136</b>	260.200
NIPPON ULTRA SHORT DURATION FUND-DIRECT GROWTH PLAN(CPAGG)- NIL Units (31 March 2023 : 28,375.532 Units)	-	106.188
KOTAK SAVING FUND-GROWTH(REGULAR PLAN(ERSTWILY KOTAK TREASURYADV) NIL Units (31 March 2023 : 1,385,632.493 Units )	-	50.858
ICICI PRUDENTIAL MONEY MARKET FUND - GROWTH-P1571 - 155,690.493 Units ( 31 March 2023 : 155,690.493 Units)	<b>53.792</b>	49.998
MIRAE ASSETS ULTRA SHORT DURATION FUND DIR-GROWTH- NIL Units (31 March 2023 : 45576.477 Units )	-	50.891
HSBC ULTRA SHORT DURATION FUND DIRECT GROWTH UCC- 45,036.922 Units (31 March 2023 : 45,036.922 Units )	<b>56.322</b>	52.407
IDFC FLOATING RATE FUND DIRECT PLAN-GROWTH - NIL Units (31 March 2023 : 11,808,127.440 Units )	-	154.474
JM SHORT DURATION FUND(REGULAR) GROWTH OPRION (638) - NIL Units (31 March 2023 : 4,999,750.012 Units )	-	51.461
INVESCO INDIA ARBITRAGE FUND-DIRECT PLAN - 6,596,354.934 Units (31 March 2023 : 1,775,195.729 Units)	<b>206.935</b>	51.402
NIPPON INDIA ULTRA SHORT DURATION FUND-DIRECT GROWTH PLAN(CPAGG) 12,435.826 Units (31 March 2023 : 13,685.051 Units )	<b>50.143</b>	51.213
BARODA BNP PARIBAS ULTRA SHORT DURATION FUND-DIRECT PLAN GROWTH Growth- NIL Units (31 March 2023 : 38,682.639 Units )	-	51.212
HSBC ULTRA SHORT DURATION FUND -DIRECT GROWTH- 44,996.263 Units (31 March 2023 : 44,996.263 Units )	<b>56.271</b>	52.360
DSP FMP SERIES 269 -160 DAYS-DIR-GROWTH - NIL Units (31 March 2023 : 4,999,750.012 Units )	-	51.018
HSBC ULTRA SHORT DURATION FUND-REGULAR GROWTH- NIL Units (31 March 2023 : 88,125.749 Units )	-	101.708
NIPPON INDIA FLOATING RATE FUND-GROWTH PLAN OPTION(FRGPG)- 2,667,301.523 Units (31 March 2023 : 2,667,301.523 Units )	<b>108.688</b>	100.837
SBI FLOATING RATE DEBT FUND DIRECT PLAN GROWTH 9,015,706.168 Units (31 March 2023 : 9,015,706.168 Units )	<b>109.442</b>	100.941

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

	31 March 2024	31 March 2023
HDFC FLOATING RATE DEBT FUND REGULAR PLAN GROWTH 4,786,864.830 Units (31 March 2023 : 2,421,966.402 Units)	<b>215.810</b>	101.122
ADITYA BIRLA SUN LIFE INTERVAL INCOME FUND-QRTL Y PLAN-SERIES1 GROWTH-DIR PLAN - NIL Units (31 March 2023 : 3,448,388.841 Units )	-	100.753
INVESCO INDIA MONEY MARKET FUND-DIRECT PLAN GROWTH(CO-D1) - 56,471.741 Units (31 March 2023 : 56,471.741 Units )	<b>162.074</b>	150.734
NIPPON INDIA QUARTERLY INTERVAL FUND-SERIES-III-DIRECT GROWTH FUND OPTION (9BAGG) -NIL Units (31 March 2023 : 5,471,473.063 Units )	-	100.538
TATA MONEY MARKET REGULAR PLAN-GROWTH - NIL Units (31 March 2023 : 12,510.815 Units )	-	49.998
ADITYA BIRLA SUN LIFE ARBITRAGE FUND-GROWTH-DIRECT PLAN - 3,897,613.536 Units ( March 2023 : NIL Units )	<b>101.459</b>	-
DSP ARBITRAGE FUND-DIRECT GROWTH - 3,608,885.529 Units ( March 2023 : NIL Units )	<b>51.448</b>	-
DSP LIQUIDITY FUND-DIRECT PLAN-GROWTH - 14,605.219 Units ( March 2023 : NIL Units )	<b>50.408</b>	-
HDFC MONEY MARKET FUND-DIRECT PLAN-GROWTH OPTION - 30,110.680 Units ( March 2023 : NIL Units )	<b>159.588</b>	-
HDFC ARBITRAGE FUND-WHOLSALE PLAN-FROWTH-DIRECT PLAN - 5,596,009.332 Units ( March 2023 : NIL Units )	<b>102.776</b>	-
ICICI PRUDENTIAL EQUITY ARBITRAGE FUND DIRECT PLAN-GROWTH (NON DEMAT) - 1,533,816.206 Units (March 2023 : NIL Units )	<b>51.359</b>	-
INVESCO INDIA ARBITRAGE FUND REGULAR GROWTH (AF-GP) - 1,723,136.683 Units ( March 2023 : NIL Units )	<b>50.407</b>	-
KOTAK EQUITY ARBITRAGE FUND-GROWTH (REGULAR PLAN) - 2,939,844.835 Units ( March 2023 : NIL Units )	<b>100.850</b>	-
KOTAK FLEXI DEBT REGULAR PLAN WEEKLY-IDCW - 2,759,183.027 Units ( March 2023 : NIL Units )	<b>100.396</b>	-
NIPPON INDIA LIQUID FUND DIRECT PLAN -GROWTH PLAN -GROWTH OPTION (LFAGG) - 58.303 Units ( March 2023 : NIL Units )	<b>0.345</b>	-
AXIS ARBITRAGE FUND-REGULAR GROWTH(EA-GP)(NON DEMAT) - 2,914,252.580 Units ( March 2023 : NIL Units )	<b>50.003</b>	-
BANDHAN ARBITRAGE FUND-GROWTH-(REGULAR PLAN) (ERSTWHILE IDFC ARBITRAGE FUND GROWTH-REGULAR PLAN ) - 1,679,442,267 Units ( March 2023 : NIL Units )	<b>50.001</b>	-
HSBC ARBITRAGE FUND-DIRECT GROWTH (FORMERLY KNOWN AS L&T ARBITRAGE OPPORTUNITIES FUND-DIRECT GROWTH) - 5,548,126.873 Units ( March 2023 : NIL Units )	<b>102.842</b>	-
MIRAE ASSETS ARBITRAGE FUND-REGULAR PLAN GROWTH - 4,209,252.409 Units ( March 2023 : NIL Units )	<b>50.410</b>	-
MIRAE ASSETS ARBITRAGE FUND-DIRECT GROWTH - 8,146,599.194 Units ( March 2023 : NIL Units )	<b>100.219</b>	-
<b>Total</b>	<b>3354.862</b>	4198.607

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

	31 March 2024	31 March 2023
<b>(ii) Investments at amortised cost</b>		
<b>Quoted investments in non-convertible debentures / bonds:</b>		
2,500,000 bonds issued by GOI Unsecured Non-Convertible Perpetual Bonds	246.471	235.733
TBILL Zero Coupon Bonds (31 March 2023: 2,500,000 Bonds)		
Nil bonds issued by GOI Unsecured Non-Convertible Perpetual Bonds	-	50.067
GOI Loan 2023 Coupon 7.16% (31 March 2023: 500,000 bonds)		
	<b>246.471</b>	<b>285.800</b>
<b>Unquoted investments:</b>		
Deposit with Bajaj Finance Limited	250.000	-
<b>Total current</b>	<b>3851.333</b>	<b>4484.407</b>
<b>Total Investments</b>	<b>6365.900</b>	<b>6897.617</b>
Aggregate book value of quoted investments	4546.725	5328.942
Aggregate market value of quoted investments	4538.941	5546.785
Aggregate book value of unquoted investments	1819.175	1568.675
<b>5 Other financial assets</b>		
<b>Non-current</b>		
<b>(Unsecured, considered good)</b>		
Security deposits	111.285	86.226
Deposits with banks with an original maturity of more than 12 months	150.107	-
	<b>261.392</b>	<b>86.226</b>
<b>Current</b>		
<b>(Unsecured, considered good)</b>		
Foreign exchange forward contracts	20.417	-
Interest accrued on fixed deposits and bonds	57.960	35.827
Security deposits	0.180	17.131
Other Receivable*	89.530	132.627
Receivable from subsidiaries - Reimbursements	2.298	2.545
	<b>170.385</b>	<b>188.129</b>
* mainly includes insurance claim, earnest money deposit and turnover discount receivable		
<b>Total other financial assets</b>	<b>431.777</b>	<b>274.355</b>

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

	31 March 2024	31 March 2023
<b>6 Other assets</b>		
<b>Non-current</b>		
Capital advances	-	37.413
Prepaid expenses	1.002	1.994
Others	2.331	10.087
	<b>3.333</b>	<b>49.494</b>
<b>Current</b>		
Contracts in progress (Refer Note 28)	3896.651	3059.519
Advances to suppliers	277.118	540.717
Balances with Indirect tax authorities	417.532	144.694
Prepaid expenses	210.236	202.368
Other advances	93.889	56.768
	<b>4895.426</b>	<b>4004.066</b>
<b>Total Other assets</b>	<b>4898.759</b>	<b>4053.560</b>
<b>7 Inventories (valued at lower of cost and net realisable value)</b>		
Raw materials (Includes Goods in transit of INR 20.285 (31 March 2023: Nil))	1532.126	2236.268
Work in progress	163.891	715.517
Finished goods	8.803	23.757
	<b>1704.820</b>	<b>2975.542</b>
Note: Write-down of inventories to net realizable value amounted to INR 24.548 (31 March 2023 : INR NIL). These were recognized as an expense during the year and included in 'Cost of materials consumed'.		
<b>8 Trade Receivables</b>		
<b>Current</b>		
<b>-From related parties</b>		
Unsecured, considered good	9.849	4.703
<b>-From others</b>		
Unsecured, considered good	6748.435	6792.610
Unsecured, credit impaired	605.363	437.744
	<b>7363.647</b>	<b>7235.057</b>
Less: Impairment allowance (allowance for bad and doubtful debts)	605.363	437.744
	<b>6758.284</b>	<b>6797.313</b>
i. Refer Note 38A for ageing schedule		
ii. No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member. Trade receivables are non-interest bearing and generally on credit terms of 3 to 6 months		



## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

	31 March 2024	31 March 2023
<b>9 Cash and cash equivalents</b>		
Balances with banks		
On current accounts	<b>799.830</b>	402.219
Deposits with original maturity of less than 3 months	<b>270.647</b>	187.387
Cash on hand	<b>1.125</b>	1.201
	<b>1071.602</b>	590.807
<b>10 Other bank balances</b>		
Unclaimed dividend account	11.159	11.004
Deposits with original maturity for more than 3 months but less than 12 months	<b>291.741</b>	275.205
Deposits with maturity for more than 12 months	<b>150.107</b>	-
Less: amounts disclosed under other non-current assets (Refer note 5)	<b>(150.107)</b>	-
Note: Includes deposits under lien INR 291.741 (31 March 2023 : INR 255.741)		
	<b>302.900</b>	286.209
<b>11 Loans</b>		
<b>Current</b>		
- Loans Receivables considered good -Unsecured		
Loan to related party (Refer note 30)	<b>798.500</b>	-
- Loans Receivables which have significant increase in credit risk	-	-
- Loans receivables credit impaired	-	-
Less: Allowance for bad and doubtful loans	-	-
	<b>798.500</b>	-
Note:		
i. The company has given Inter Corporate Loan to its subsidiary company. "		
The same is receivable within 1 year and carries interest @MCLR+2%		

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

	31 March 2024		31 March 2023	
<b>12 Equity Share Capital</b>				
<b>Authorised shares</b>				
450,000,000 (31 March 2023: 450,000,000) equity shares of INR 2 each		<b>900.000</b>		900.000
<b>Issued, subscribed and fully paid-up shares</b>				
183,813,088 (31 March 2023: 183,713,088 ) equity shares of INR 2 each		<b>367.626</b>		367.426
<b>Total</b>		<b>367.626</b>		367.426
<b>a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:</b>				
	<b>No.</b>	<b>Amount</b>	<b>No.</b>	<b>Amount</b>
At the beginning of the period	<b>183,713,088</b>	<b>367.426</b>	183,673,088	367.346
Add: Allotted during the period pursuant to exercise of employees stock options (Refer note 33)	<b>100,000</b>	<b>0.200</b>	40,000	0.080
Outstanding at the end of the period	<b>183,813,088</b>	<b>367.626</b>	183,713,088	367.426
<b>b. Terms/ Rights attached to equity shares:</b>				
The Company has only one class of equity shares having a par value of INR 2 per share. Each holder of the equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.				
The Board of Directors proposed a final dividend of INR 6 per equity share for the financial year ended 31 March 2024. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held and if approved, will be recognised as distributions to equity shareholders during the year ended 31 March 2025. This event is considered as non-adjusting event.				
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company after distributing all preferential amounts.				
<b>c. Shares held by holding/ultimate holding company and/or their subsidiaries/associates:</b>				
The company does not have any holding or ultimate holding company.				
<b>d. Details of shareholders holding more than 5% shares in the company:</b>				
	31 March 2024		31 March 2023	
	<b>No.</b>	<b>% of holding</b>	<b>No.</b>	<b>% of holding</b>
Equity shares of INR 2 each fully paid				
Dr. Pramod Chaudhari (Promoter)	<b>38,700,000</b>	<b>21.05%</b>	38,700,000	21.07%
Parimal Chaudhari (Promoter)	<b>14,400,000</b>	<b>7.83%</b>	14,400,000	7.84%
<b>e. Details of share holding of Promoters:</b>				
	31 March 2024		31 March 2023	
	<b>No.</b>	<b>% of holding</b>	<b>No.</b>	<b>% of holding</b>
Equity shares of INR 2 each fully paid				
Dr. Pramod Chaudhari	<b>38,700,000</b>	<b>21.05%</b>	38,700,000	21.07%
Parimal Chaudhari	<b>14,400,000</b>	<b>7.83%</b>	14,400,000	7.84%
Moriyaset Trust	<b>7,200,000</b>	<b>3.92%</b>	7,200,000	3.92%

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

### f. Shares reserved for issue under options:

There are no outstanding options as at 31 March 2024. For shares reserved for issue till previous year under the Employee Stock Option Plan (ESOP) please refer note 33.

### g. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	31 March 2024	31 March 2023
Number of bonus shares issued, shares issued for consideration other than cash and shares bought back	-	-
	31 March 2024	31 March 2023
<b>13 Other Equity</b>		
<b>Capital Reserve</b>	<b>0.033</b>	0.033
<b>Amalgamation Reserve</b>	<b>3.063</b>	3.063
<b>Capital Redemption Reserve*</b>	<b>14.627</b>	14.627
<b>Securities Premium</b>		
Balance as at the beginning of the year	<b>1040.147</b>	1025.997
Add : Employee stock options exercised	<b>8.800</b>	3.518
Add : Transfer from Share option outstanding account on exercise of options	<b>26.571</b>	10.632
Balance at the end of the year	<b>1075.518</b>	1040.147
<b>Share option outstanding account**</b>		
Balance as at the beginning of the year	<b>26.571</b>	29.355
Add : Employee stock option expense	-	7.848
Less: Employee stock options expired and transferred to surplus in statement of profit and loss	-	-
Less : Transfer to Securities Premium on exercise of options	<b>26.571</b>	10.632
Balance at the end of the year	-	26.571
<b>Special Economic Zone Re-investment Reserve***</b>		
Balance as at the beginning of the year	<b>163.000</b>	322.500
Add : Transfer from Surplus in the Statement of Profit and Loss	-	-
Less : Transfer to Surplus in the Statement of Profit and Loss on completion of required period	<b>163.000</b>	159.500
Balance at the end of the year	-	163.000
<b>General Reserve</b>		
Balance as at the beginning of the year	<b>956.511</b>	956.511
Add : Amounts transferred from surplus balance in statement of profit and loss	-	-
Balance at the end of the year	<b>956.511</b>	956.511
<b>Debt instruments through Other Comprehensive Income</b>		
Balance as at the beginning of the year	<b>(3.937)</b>	-
Add: Fair value movement	<b>0.186</b>	(3.937)
Balance at the end of the year	<b>(3.751)</b>	(3.937)

\* Capital Redemption Reserve - The reserve is created on account of buy-back of equity shares by the Company in earlier years

\*\* Share option outstanding account - The reserve is created on account of Employee stock options

\*\*\*Special Economic Zone Re-investment Reserve - The reserve is created as per the provisions of Income Tax Act, 1961

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

	31 March 2024	31 March 2023
<b>Retained Earnings</b>		
Balance as at the beginning of the year	<b>8094.412</b>	6345.044
Profit as per statement of profit and loss	<b>2804.225</b>	2376.082
Other comprehensive income - Re-measurement of defined benefit plans	<b>(36.414)</b>	(15.954)
Add : Transfer from Special Economic Zone Re-investment Reserve on completion of required period	<b>163.000</b>	159.500
Less: Appropriations		
Final equity dividend	<b>827.924</b>	770.260
Net Surplus in Statement of profit and loss	<b>10197.301</b>	8094.412
<b>Total Other Equity</b>	<b>12243.302</b>	10294.427
<b>14 Provisions</b>		
<b>Non-current</b>		
<b>Provision for employee benefits</b>		
Compensated absences	<b>132.728</b>	107.184
Gratuity (Refer Note 32b)	<b>28.258</b>	9.034
	<b>160.986</b>	116.218
<b>Current</b>		
<b>Provision for employee benefits</b>		
Compensated absences	<b>78.423</b>	66.850
Gratuity (Refer Note 32b)	<b>60.000</b>	45.000
<b>Provision for anticipated losses</b>	<b>405.296</b>	285.977
	<b>543.719</b>	397.827
<b>Total provisions</b>	<b>704.704</b>	514.045

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

	31 March 2024	31 March 2023
<b>15 Trade payables</b>		
<b>Current</b>		
-To related parties	<b>26.632</b>	17.081
-To others		
Total outstanding dues of micro enterprises and small enterprises (Refer note iii below)	<b>711.504</b>	1038.312
Total outstanding dues of creditors other than micro enterprises and small enterprises (MSMED)	<b>3158.161</b>	3391.459
	<b>3896.297</b>	4446.852
Notes:		
i. Refer Note 38B for ageing schedule		
ii. Trade payables are non-interest bearing and are normally settled on 30-90 days terms		-
iii. The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at March 31, 2024. The disclosure pursuant to the said Act is as under:		
Total outstanding amount in respect of micro and small enterprises	<b>711.504</b>	1038.312
Principal amount due and remaining unpaid	-	-
Interest due on above and unpaid interest	-	-
Interest paid	-	-
Payment made beyond appointment day	<b>0.202</b>	1.651
Interest due and payable for the period of delay	<b>0.002</b>	0.006
Interest accrued and remaining unpaid (excluding interest accrued for earlier years)	<b>0.002</b>	0.006
Amount of further interest remaining due and payable in succeeding years	<b>0.010</b>	0.008
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.		
<b>16 Other financial liabilities</b>		
<b>Current</b>		
Unclaimed dividends	<b>11.155</b>	9.834
Employee benefits payable	<b>539.861</b>	321.880
Foreign exchange forward contracts	-	17.429
Other payables	<b>11.054</b>	9.269
	<b>562.070</b>	358.412

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

	31 March 2024	31 March 2023
<b>17 Other liabilities</b>		
<b>Current</b>		
Advances received from customers	5274.545	6259.705
Dues to customers relating to contracts in progress (Refer Note 28)	1472.940	1402.281
Statutory dues payable	248.227	53.822
	<b>6995.712</b>	<b>7715.808</b>
<b>18 Revenue from operations (Refer note 28)</b>		
<b>Revenue from Products and Projects</b>	<b>27531.565</b>	29392.689
Add: Closing Contracts in progress	2423.711	1657.238
Less: Opening Contracts in progress	1657.238	2023.298
	(a) <b>28298.038</b>	29026.629
<b>Sale of services</b>	(b) <b>1117.425</b>	1851.479
<b>Other Operating Revenue</b>		
Scrap Sales	317.579	562.691
Sale of Export Licenses	33.054	84.931
Other Operating Revenue	129.547	-
	(c) <b>480.180</b>	647.622
<b>Total Revenue from operations (a+b+c)</b>	<b>29895.643</b>	<b>31525.730</b>
<b>19 Other income</b>		
Dividend from Subsidiary	250.000	200.000
Gain on redemption of investments (net) (FVTPL)	116.120	53.819
Fair Valuation Gain/(Loss) on Investment In Mutual Fund (FVTPL)	148.502	141.867
Interest		
- on fixed deposits	28.627	13.896
- others	126.655	47.418
Interest on account of unwinding of security deposits and guarantee income	8.376	6.350
Profit / (loss) on sale of property, plant and equipment (net)	2.071	-
Excess provision / creditors written back (including advances)	1.857	41.210
Other non-operating income	2.429	1.797
	<b>684.637</b>	<b>506.357</b>

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

	31 March 2024	31 March 2023
<b>20 Cost of materials consumed</b>		
Raw material consumed	<b>17294.886</b>	20920.783
	<b>17294.886</b>	20920.783
<b>21 (Increase) / Decrease in inventories of Finished Goods and Work in Progress</b>		
<b>Inventories at the end of the year</b>		
Work in progress	<b>163.891</b>	715.517
Finished goods	<b>8.803</b>	23.757
	<b>172.694</b>	739.274
<b>Inventories at the beginning of the year</b>		
Work in progress	<b>715.517</b>	384.747
Finished goods	<b>23.757</b>	9.328
	<b>739.274</b>	394.075
<b>(Increase) / Decrease in inventories</b>	<b>566.580</b>	(345.199)
<b>22 Employee Benefit Expenses</b>		
Salaries, wages and bonus	<b>2475.209</b>	2018.560
Contributions to provident and other funds (Refer note 32a)	<b>95.620</b>	78.590
Gratuity expense (Refer note 32b)	<b>26.006</b>	21.809
Employee stock option expense	-	7.848
Staff welfare	<b>152.210</b>	121.851
	<b>2749.045</b>	2248.658
<b>23 Finance costs</b>		
Interest expense - others	<b>0.465</b>	10.639
Net interest on defined benefit plan	<b>2.403</b>	3.383
Interest on Lease Liability	<b>37.436</b>	28.089
	<b>40.304</b>	42.111

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

	31 March 2024	31 March 2023
<b>24 Other Expenses</b>		
Consumption of Stores and spares	<b>308.996</b>	345.095
Site expenses and labour charges*	<b>2476.356</b>	2610.767
Freight and transport	<b>667.962</b>	908.861
Bad debts written off (INR 26.049 ; 31 March 2023: INR 109.008) / Provision for doubtful debts and advances	<b>192.322</b>	173.550
Sales commission	<b>367.905</b>	212.313
Travel and conveyance	<b>259.574</b>	240.404
Professional consultancy charges	<b>536.115</b>	375.324
Software License fees	<b>114.400</b>	73.661
Insurance	<b>161.840</b>	74.202
Rent (Refer note 31)	<b>25.452</b>	43.749
Power and fuel	<b>109.588</b>	111.197
Advertising and exhibition expenses	<b>39.265</b>	37.952
Communication expenses	<b>24.918</b>	22.978
Testing charges	<b>72.150</b>	79.434
Repairs and maintenance:		
Building	<b>19.604</b>	12.163
Plant and Machinery	<b>33.950</b>	37.747
Others	<b>32.671</b>	28.045
Auditors' remuneration		
for audit services	<b>4.088</b>	3.600
for taxation services	<b>0.690</b>	0.650
for certification charges	<b>0.030</b>	0.027
out of pocket expenses	<b>0.107</b>	0.046
Non-Executive Directors' commission	<b>13.500</b>	10.800
Rates and taxes	<b>9.978</b>	3.770
Reimbursement of Marketing Support Expenses	<b>74.819</b>	104.349
Miscellaneous expenses**	<b>530.044</b>	400.806
	<b>6076.324</b>	5911.490

\* Includes travelling expenses, Job work charges and other site related expenses

\*\* Mainly includes R&D expenses, security expenses, housekeeping expenses & CSR



## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

	31 March 2024	31 March 2023
<b>25 Income tax</b>		
<b>A Statement of profit and loss:</b>		
<b>Current income tax:</b>		
Current income tax charge	<b>803.564</b>	778.559
Tax relating to earlier periods	<b>(24.826)</b>	-
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	<b>64.530</b>	(62.968)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>843.268</b>	715.591
<b>B Statement of other comprehensive income:</b>		
<b>Deferred tax:</b>		
Remeasurements gains and losses on post employment benefits	<b>(12.247)</b>	(5.366)
Debt instruments through other comprehensive income	<b>0.063</b>	(1.324)
<b>Income tax expense reported in the statement of other comprehensive income</b>	<b>(12.184)</b>	(6.690)
<b>C Reconciliation of effective tax rate</b>		
<b>Accounting profit before tax</b>	<b>3647.493</b>	3091.673
<b>Tax using the Company's domestic tax rate 25.168% (31 March 2023: 25.168%)</b>	<b>918.001</b>	778.112
Adjustments in respect of current income tax of previous years	<b>(24.826)</b>	-
<b>Less: Tax effect of:</b>		
i Income chargeable at lower rate / capital gain	<b>(1.996)</b>	12.558
ii Dividend from Subsidiary eligible for deduction u/s 80M	<b>(62.920)</b>	(50.336)
iii Reversal of Deferred Tax Liability on conditional exemption (net)	-	(54.428)
<b>Add: Tax effect of</b>		
i Donations ineligible under Income tax	<b>13.409</b>	8.012
ii Others including rounding off	<b>1.600</b>	21.673
<b>Total</b>	<b>843.268</b>	715.591
<b>Income tax expense reported in the statement of profit and loss</b>	<b>843.268</b>	715.591

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

### D Deferred tax

Deferred tax relates to the following: Deferred tax asset / (liability)	Balance sheet		Statement of profit and loss/ other comprehensive income & other equity	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
<b>Deferred tax asset</b>				
Provision for doubtful debts and advances	154.300	112.114	(42.186)	(17.012)
Provision for Anticipated Losses	102.005	71.974	(30.031)	(43.859)
Gratuity	22.213	13.599	(8.614)	8.833
Compensated absences	53.142	43.801	(9.341)	(4.444)
Other disallowances under Income Tax	17.587	13.601	(3.986)	2.068
Lease Liability	101.441	98.552	(2.889)	(55.154)
Deposits	1.162	2.355	1.193	(2.355)
<b>Total</b>	<b>451.850</b>	<b>355.996</b>	<b>(95.854)</b>	<b>(111.923)</b>
<b>Deferred tax liability</b>				
Property, plant & equipment and intangible assets	(413.457)	(273.508)	139.949	54.491
Conditional exemptions calimed under Income tax / others	(51.425)	(43.174)	8.251	(12.225)
<b>Total</b>	<b>(464.882)</b>	<b>(316.682)</b>	<b>148.200</b>	<b>42.266</b>
<b>Net deferred tax asset / (liability)</b>	<b>(13.032)</b>	<b>39.314</b>		
<b>Deferred tax expense/(income)</b>			52.346	(69.658)
- Recognised in the statement of profit and loss			64.530	(62.968)
- Recognised in the statement of other comprehensive income			(12.184)	(6.690)
- Recognised in retained earnings			-	-

### 26 Earnings per share

Particulars	31 March 2024	31 March 2023
<b>Reconciliation of basic and diluted shares used in computing earnings per share</b>		
Weighted average number of basic equity shares	183,744,509	183,692,524
Add: effect of dilutive potential equity shares:		
- Employee stock options	-	76,207
Weighted average number of diluted equity shares	183,744,509	183,768,731
<b>Computation of basic and diluted earnings per share</b>		
Net profit after tax attributable to equity shareholders	2,804.225	2,376.082
Basic earnings per equity share of INR 2 each	15.26	12.94
Diluted earnings per equity share of INR 2 each	15.26	12.93

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

### 27 Capital commitments and contingent liabilities

Particulars	31 March 2024	31 March 2023
<b>Capital commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	<b>72.912</b>	83.420
<b>Other commitments</b>		
Partly paid shares-Praj Far East Co. Ltd	<b>13.491</b>	14.218
<b>Contingent liabilities</b>		
Claims against Company not acknowledged as debts (primarily relating to performance related claims filed by customers)	<b>21.845</b>	21.845
Disputed demands in appeal towards:		
- Income Tax	<b>37.338</b>	216.643
- Sales Tax	<b>2.785</b>	33.045

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

Particulars	31 March 2024	31 March 2023
Contract revenue recognised during the year (excluding taxes)	<b>27189.673</b>	28500.245
Aggregate amount of contract costs incurred and recognised profits (less recognised losses)	<b>53248.594</b>	43088.026
Customer advances outstanding for contracts in progress	<b>4572.702</b>	5181.066
Retention money due from customers for contracts in progress	<b>1415.689</b>	1222.315
Gross amount due from customers for contract work (presented as contracts in progress)	<b>3896.651</b>	3059.519
Gross amount due to customers for contract work (presented as dues to customers relating to contracts in progress)	<b>(1472.940)</b>	(1402.281)

#### I) Revenue by category of contracts:

Particulars	31 March 2024	31 March 2023
Over a period of time basis	<b>27189.673</b>	28500.245
At a point-in-time basis	<b>2705.970</b>	3025.485
<b>Total revenue from contracts with customers</b>	<b>29895.643</b>	31525.730

#### II) Revenue by geographical market:

Particulars	31 March 2024	31 March 2023
Within India	<b>23691.647</b>	25904.614
Outside India	<b>6203.996</b>	5621.116
<b>Total revenue from contracts with customers</b>	<b>29895.643</b>	31525.730

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

### III) Transaction price allocated to the remaining performance obligations

Particulars	31 March 2024	31 March 2023
Remaining performance obligations	<b>30955.099</b>	23896.113

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

### IV) Contract balances

Particulars	31 March 2024	31 March 2023
Trade receivables	<b>6758.284</b>	6797.313
Unbilled Revenue (Contract Asset)	<b>3896.651</b>	3059.519
Unearned Revenue (Contract Liability)	<b>1472.940</b>	1402.281
Customer Advances (Contract Liability)	<b>5274.545</b>	6259.705

Contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date. The Contract assets are transferred to Trade receivables on completion of milestones and its related invoicing.

The Contract liabilities relate to unearned revenue and customer advances where performance obligations are yet to be fulfilled as per the contracts. The fulfilment of the performance obligations will extinguish these liabilities and revenue will be recognised.

The payment is due from the date of invoice and payment terms are in the range of 30 days to 120 days. The company expects that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be less than one year. Therefore, Company does not adjust the promised amount of consideration for the effects of financing component.

## 29 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. process and project engineering.

Disclosures applicable to the entity having single reportable segment have been reported in Consolidated Financial Statements.

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

### 30 Related party transactions

#### a) Parties where control exists

##### Subsidiaries

Particulars	Principal place of business	Method used to account for the investments	Proportion of ownership interest and voting rights	
			31 March 2024	31 March 2023
Praj Engineering & Infra Limited	India	Cost	99.67%	99.65%
Praj Far East Co. Limited, Thailand	Thailand	Cost	100%	100%
Praj Americas Inc.	U. S. A.	Cost	100%	100%
Praj HiPurity Systems Limited	India	Cost	100%	100%
Praj Far East (Philippines) Inc.	Philippines	Cost	100%	100%
Praj GenX Limited	India	Cost	100%	100%

#### b) Key management personnel and their close members of family

Executive chairman	Dr. Pramod Chaudhari
CEO & Managing Director	Shishir Joshipura
Chief Financial Officer & Director-Resources	Sachin Raole
Chief Internal Auditor & Company Secretary	Dattatraya Nimbolkar (upto 31st December 2023)
Company Secretary	Anant Bavare (from 1st January 2024)
Non-executive directors	Berjis Desai (Upto 31st March 2024)
	Sivaramakrishnan S. Iyer (Upto 31st March 2024)
	Vinayak Deshpande (from 31st March 2024)
	Utkarsh Palnitkar (from 31st March 2024)
	Parimal Chaudhari
	Mrunalini Joshi (Upto 10th August 2023)
	Rujuta Jagtap (From 21st August 2023)
Close members of family of key management personnel	Dr. Shridhar Shukla
	Suhas Baxi
	Parimal Chaudhari (Director)
	Parth Chaudhari

#### c) Other related parties with whom transactions have been taken place during the year

Praj Foundation  
Plutus Properties LLP

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

d) Transactions and balances with related parties have been set out below:		
Particulars	31 March 2024	31 March 2023
<b>Praj Engineering &amp; Infra Limited</b>		
Sales of goods and services(without taxes)	17.174	-
Expenses incurred and reimbursed by the Company	0.073	2.429
Expenses incurred and reimbursed by subsidiary	0.513	0.714
Rent received	0.060	0.060
Receivable	1.702	-
Payable	-	0.022
<b>Praj Far East Co. Ltd, Thailand</b>		
Expenses incurred and reimbursed by the Company	17.713	47.143
Payable	7.662	7.348
Receivable	-	2.555
<b>Praj Americas Inc.</b>		
Expenses incurred and reimbursed by the Company	53.353	61.562
Payable	16.868	6.737
Receivable	8.256	-
<b>Praj HiPurity Systems Limited</b>		
Sales of goods and services (without taxes)	4.930	7.692
Purchase of goods & services(without taxes)	12.593	4.031
Purchase of capital goods & services(without taxes)	71.160	-
Expenses incurred and reimbursed by the Company	16.298	-
Dividend income	250.000	200.000
Expenses incurred and reimbursed by subsidiary	2.484	4.975
Inter company loan given	70.000	-
ICD Interest Received	1.154	-
Corporate Guarantee given	240.000	-
Payable	-	2.974
Receivable	0.920	1.822
Inter company loan outstanding	-	-
Corporate Guarantee given outstanding	940.000	700.000
<b>Praj Far East (Philippines) Inc.</b>		
Sales of services	0.309	0.307
Expenses incurred and reimbursed by the Company	2.069	-
Payable	2.102	-
Receivable	0.232	0.306
Dividend receivable	8.782	9.337
Corporate Guarantee given outstanding	125.835	124.050

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

Particulars	31 March 2024	31 March 2023
<b>Praj GenX Limited</b>		
Issue of Equity Shares	0.500	-
Interest Income on ICD	33.038	-
Inter company loan given	798.500	-
Rent Received	1.496	-
Expenses incurred and reimbursed by the Company	0.172	-
Corporate Guarantee given	324.591	-
Receivable	1.026	-
Interest receivable on ICD	29.734	-
Corporate Guarantee given outstanding	324.591	-
<b>Praj Foundation</b>		
Donation paid	29.948	20.893
Rent Received	0.060	0.060
<b>Plutus Properties LLP</b>		
Rent paid	4.166	3.968
<b>Dr. Pramod Chaudhari</b>		
Short term employee benefits	110.349	92.919
Post employment benefits	19.664	12.744
Other long term employee benefits	2.813	1.500
Dividend	174.150	162.540
Payable	44.415	34.542
<b>Shishir Joshipura</b>		
Short term employee benefits	63.133	52.076
Post employment benefits	8.096	6.980
Other long term employee benefit	1.493	1.302
Sale of vehicle	0.300	-
Share based payment	39.306	-
Dividend	0.450	0.420
Payable	26.710	21.181
<b>Sachin Raole</b>		
Short term employee benefits	29.370	23.562
Post employment benefits	3.332	2.646
Other long term employee benefit	0.910	0.919
Share based payment	13.102	-
Dividend	0.653	0.609
Payable	16.093	11.563
<b>Dattatraya Nimbolkar</b>		
Short term employee benefits	8.774	9.781
Post employment benefits	0.226	0.508
Other long term employee benefit	0.131	0.192
Dividend	0.004	0.004
Payable	3.097	2.808

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

Particulars	31 March 2024	31 March 2023
<b>Anant Bavare</b>		
Short term employee benefits	0.831	-
Post employment benefits	0.083	-
Other long term employee benefit	0.017	-
Dividend	0.000	-
Payable	0.926	-
<b>Parimal Chaudhari</b>		
Commission on profit	3.000	2.400
Dividend	64.800	90.720
Payable	3.000	2.400
Commission to Non-Executive Directors (other than disclosed above)	10.500	8.400

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.

### 31 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 equipments, plant & machinery, vehicles, furniture & fixtures and computers.

The disclosures relating to leases are as summarised below:

Particulars	31 March 2024	31 March 2023
Depreciation for right-of-use asset	171.370	103.680
Interest expense on lease liabilities	37.436	28.089
Expenses relating to short-term / low value leases	25.452	43.749
Total Cash outflow for leases	248.377	183.629
Carrying amount of right-of-use asset	387.473	354.203
Maturity analysis of lease liabilities:		
- less than 1 year	189.165	147.024
- between 1 to 3 years	158.836	219.592
- more than 3 years	55.055	24.962



## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

Changes in lease liabilities arising from financing activities

Particulars	31 March 2024	31 March 2023
Opening lease liability	391.578	172.433
Net addition / (deletion) during the year	196.967	330.935
Finance cost	37.436	28.089
Lease payments	(222.926)	(139.879)
Closing lease liability	403.056	391.578
Non-Current	213.891	244.554
Current	189.165	147.024

### 32 Employee benefits

#### a) Defined contribution plans

The Company has recognised INR 95.620 (31 March 2023: INR 78.590) towards post-employment defined contribution plans comprising of provident fund, Employee State Unsurance 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 and ICICI Prudential Life Insurance to meet its gratuity obligations. In accordance with the Standard, the disclosures relating to the Company's gratuity plan are provided below:

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

Particulars	31 March 2024	31 March 2023
<b>Present value of obligation as at the beginning of the period</b>	<b>337.085</b>	301.003
Interest cost	24.061	20.104
Current service cost	26.006	21.809
Benefits paid	(23.868)	(27.606)
Remeasurements on obligation - (gain) / loss	46.329	21.775
<b>Present value of obligation as at the end of the period</b>	<b>409.613</b>	337.085

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

Particulars	31 March 2024	31 March 2023
<b>Fair value of plan assets at the beginning of the period</b>	<b>283.051</b>	211.875
Interest income	21.658	16.721
Contributions	21.498	54.000
Benefits Paid	(2.240)	-
Other Charges	(0.280)	-
Return on plan assets, excluding amount recognized in interest income - gain / (loss)	(2.332)	0.455
<b>Fair value of plan assets as at the end of the period</b>	<b>321.355</b>	283.051

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

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

Particulars	31 March 2024	31 March 2023
Present value of obligation as at the end of the period	<b>409.613</b>	337.085
Fair value of plan assets as at the end of the period	<b>321.355</b>	283.051
<b>Surplus / (deficit)</b>	<b>(88.258)</b>	(54.034)

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

Particulars	31 March 2024	31 March 2023
Current service cost	<b>26.006</b>	21.809
Net interest (income) / expense	<b>2.403</b>	3.383
<b>Net periodic benefit cost recognised in the statement of profit and loss at the end of the period</b>	<b>28.409</b>	25.192

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

Particulars	31 March 2024	31 March 2023
Remeasurement for the year - obligation (gain) / loss	<b>46.329</b>	21.775
Remeasurement for the year - plan assets (gain) / loss	<b>2.332</b>	(0.455)
<b>Total remeasurements cost / (credit) for the year</b>	<b>48.661</b>	21.320

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

Particulars	31 March 2024	31 March 2023
Interest (income) / expense - obligation	<b>24.061</b>	20.104
Interest (income) / expense - plan assets	<b>(21.658)</b>	(16.721)
<b>Net interest (income) / expense for the year</b>	<b>2.403</b>	3.383

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

Particulars	31 March 2024	31 March 2023
Funds managed by insurer	<b>100%</b>	100%
<b>Total</b>	<b>100%</b>	100%

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

Particulars	31 March 2024	31 March 2023
Discount rate	<b>7.20%</b>	7.40%
Rate of increase in compensation levels	<b>9.00%</b>	9.00%
Expected rate of return on plan assets	<b>7.40%</b>	7.00%
Expected average remaining working lives of employees (in years)	<b>9.84</b>	9.67
Withdrawal rate		
Age upto 30 years	<b>7.00%</b>	7.00%
Age 31 - 40 years	<b>7.00%</b>	7.00%
Age 41 - 50 years	<b>7.00%</b>	7.00%
Age above 50 years	<b>7.00%</b>	7.00%

### A quantitative sensitivity analysis for significant assumptions is shown as follows:

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the present value of obligation. Sensitivity analysis is done by varying (increasing/ decreasing) one parameter by 100 basis points (1%)

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

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

Discount rate	Present value of obligation	
	31 March 2024	31 March 2023
Decrease by 1% to 6.20% (2023: 6.40%)	428.219	351.859
Increase by 1% to 8.20% (2023: 8.40%)	393.172	324.007

### b) Impact of change in salary increase rate when base assumption is decreased / increased by 100 basis point

Salary increment rate	Present value of obligation	
	31 March 2024	31 March 2023
Decrease by 1% to 8.00%	395.367	325.752
Increase by 1% to 10.00%	425.361	349.593

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

Withdrawal rate	Present value of obligation	
	31 March 2024	31 March 2023
Decrease by 1% to 6.00%	411.441	338.370
Increase by 1% to 8.00%	407.960	335.921

### Risk Exposure and Asset Liability Matching

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

#### 1) Liability Risks

##### a. Asset-Liability Mismatch Risk-

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements.

##### b. Discount Rate Risk-

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

##### c. Future Salary Escalation and Inflation Risk-

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

#### 2) Asset Risks

All plan assets are maintained in a trust fund managed by LIC of India and ICICI Prudential Life Insurance.

The company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

### 33 Employee Stock Option Plan (ESOP)

In the Annual General Meeting of the Company held on 22 July 2011, total of 9,238,936 stock options were approved under the scheme "Employee Stock Option Plan 2011". In the Meeting of the Compensation and Share Allotment Committee held on 27 January 2015 it was decided to grant options to CEO & MD and senior executives of the Company at the relevant market price as ESOP 2011 – Grant I. The total options granted under ESOP 2011 - Grant I are 3,750,000 options out of which 250,000 options (Plan A) were granted to CEO & MD and 3,500,000 options (Plan B) were granted to senior executives of the Company.

During the year 2015-16 390,000 options were granted to senior executives of the Company as ESOP 2011 – Grant II to V. During the year 2016-17 100,000 options were granted to senior executive of the Company as ESOP 2011 – Grant VI. During the year 2017-18 1,969,700 options were granted to certain employees of the Company as ESOP 2011 – Grant VII. During the year 2018-19 1,625,000 options were granted to certain employees of the Company as ESOP 2011- Grant VIII to X. During the year 2021-22 140,000 options were granted to CEO& MD and certain senior executives of the Company as ESOP 2011- Grant XI.

The stock options vest in a graded manner equally over the period of vesting, each vesting taking effect as per the terms of the grant. The stock options granted are exercisable at 100% of the fair market value of the underlying equity shares of the Company as on the date of grant.

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

Particulars	31 March 2024	31 March 2023
Expense arising from equity-settled share-based payment transactions	-	7.848

#### Movements during the year ESOP 2011 Grant I to XI

Particulars	31 March 2024		31 March 2023	
	Options	Weighted average exercise price INR	Options	Weighted average exercise price INR
<b>Number of options outstanding at the beginning of the year</b>	<b>1,00,000</b>		1,40,000	
Number of options granted during the year	-		-	
Number of options exercised during the year	(1,00,000)		(40,000)	
Number of options forfeited/lapsed during the year	-		-	
<b>Number of options outstanding at the end of the year</b>	<b>-</b>		<b>1,00,000</b>	
Number of options exercisable at the end of the year				
Range of exercise price of options outstanding at the end of the year	<b>NA</b>		INR 90.00	
Average share price during the year	<b>INR 483.04</b>		INR 376.91	
Weighted average remaining contractual life of options outstanding at the end of the year	<b>NA</b>		0.75 years	
Weighted average fair value of option as on date of grant (granted during the year)	<b>17-Jun-21</b>	<b>265.74</b>	17-Jun-21	265.74

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

### Method used for calculating fair value of option – Black Scholes Option Valuation Model

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

Particulars	FY 2023-24	FY 2022-23
Grant date	17 Jun 2021	17 Jun 2021
Risk-free interest rate	4.20%	4.20%
Expected life	1.0 year	1.0 year
Expected volatility*	61.25%	61.25%
Expected dividend yield	2.11%	2.11%
Price of the underlying share in market at the time of grant of option (INR)	359.15	359.15

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

### 34 Expenditure on research & development activities

Revenue expenditure on research is charged under respective heads of account in the year in which it is incurred. Capital expenditure on development consists of property, plant and equipment, Capital work in progress, Intangible Assets and Intangible assets under development. The property, plant and equipment and Intangible Assets as included above are depreciated / amortised on the same basis as per their respective categories. The break-up of Research and development (R&D) capital and revenue expenditure is as below:

Particulars	31 March 2024	31 March 2023
Capital expenditure (excluding advances)	592.228	43.142
Revenue expenditure	384.703	356.115

### 35 Corporate Social Responsibility (CSR) expenditure

During the year, the Company has incurred CSR expenses of INR 42.229 (2023: INR 31.333) included in Miscellaneous Expenses (Refer Note 24) as follows:

Amount spent on	Amounts paid in FY 2023-24	Amounts paid in FY 2022-23
Construction/acquisition of asset	Nil	Nil
On other purposes covered under Schedule VII to Companies Act, 2013	42.229	31.333

Particulars	31 March 2024	31 March 2023
a) Amount required to be spent by the company during the year	37.961	23.114
b) Amount of expenditure spent	42.229	31.333
i) Incurred through related party - Praj Foundation	29.948	20.893
ii) Incurred through contribution/donation to trusts / institute which are engaged in activities eligible under section 135 of Companies Act, 2013 read with Schedule VII thereto	12.281	10.440
c) Shortfall at the end of the year	-	-
d) Total of previous years shortfall	-	-
e) Cash outflow related to Corporate Social Responsibility (CSR) activities	42.229	31.333

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

### 36 Fair value measurements

This note explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised & measured at i. fair value ii. measured at amortised cost and for which fair values are considered to be same as the amortised costs disclosed in the financial statements. They are further classified into Level 1 to Level 3 as required by the accounting standard and described in the significant accounting policies of the Company. Further, the note describes valuation techniques used, key inputs to valuations and quantitative information about significant unobservable inputs for fair value measurements.

As per assessments made by the management, fair values of all financial instruments carried at amortised cost (except investment in quoted non-convertible bonds) are not materially different from their carrying amounts since they are either short term in nature or the interest rates applicable are equal to the current market rate of interest.

The Company has performed a fair valuation of its investment in mutual funds which are classified as fair value through profit and loss (FVTPL) and bonds which are classified as fair value through other comprehensive income (FVOCI) using quoted prices and fair valuations of foreign exchange forward contracts as per mark to market valuation from bank.

Sr. No	Particulars	Carrying value	
		31 March 2024	31 March 2023
	<b>Financial assets</b>		
<b>A</b>	<b>Levelled at level 1</b>		
i)	<b>Carried at fair value through profit and loss (FVTPL)</b>		
	Investments in mutual funds	3354.862	4198.607
ii)	<b>Carried at fair value through other comprehensive income (FVOCI)</b>		
	Investment in quoted non-convertible bonds	494.700	494.451
<b>B</b>	<b>Levelled at level 2</b>		
i)	<b>Carried at fair value through profit and loss (FVTPL)</b>		
	Foreign exchange forward contracts (The fair value is as per the mark-to-market valuation from banks)	20.417	-
<b>C</b>	<b>Carried at amortised cost</b>		
	Investment in quoted non-convertible bonds*	697.163	635.884
	Unquoted investments at amortised cost	250.000	-
	Security deposits	111.465	103.357
	Deposits with banks with an original maturity of more than 12 months	150.107	-
	Trade receivable	6758.284	6797.313
	Other receivables	149.789	188.129
	Cash and cash equivalents and other bank balances	1374.501	877.015
	Loans	798.500	-
	<b>Financial liabilities</b>		
	<b>Levelled at level 2</b>		
<b>A</b>	<b>Carried at fair value through profit and loss (FVTPL)</b>		
	Foreign exchange forward contracts (The fair value is as per the mark-to-market valuation from banks)	-	17.429
<b>B</b>	<b>Carried at amortised cost</b>		
	Trade payables	3896.297	4446.852
	Unclaimed dividends	11.155	9.834
	Lease Liability	403.056	391.578
	Other payables	550.914	331.149
	<b>* Fair value of investment in quoted non-convertible bonds</b>	<b>689.379</b>	<b>853.728</b>

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

### 37 Financial risk management policy and objectives

The Company's principal financial liabilities, comprise lease liabilities and trade and other payables. The main purpose of these financial liabilities is to finance company's operations and to provide guarantees to support its operations. Company's principal financial assets include trade and other receivables, security deposits and cash and cash equivalents, that derive directly from its operations.

In order to minimise any adverse effects on the financial performance of the Company, it has taken various measures. This note explains the source of risk which the entity is exposed to and how the entity manages the risk and impact of the same in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Aging analysis, external credit rating (wherever available)	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Lease and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk- Foreign Currency Risk	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Sensitivity Analysis	Management follows established risk management policies, including use of derivatives like foreign exchange forward contracts, where the economic conditions match the company's policy.

The company's risk management is carried out by management, under policies approved by the board of directors. Company's treasury identifies, evaluates and hedges financial risks in close cooperation with the company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk, and investment of excess liquidity.

#### (A) Credit risk

Credit risk in case of the Company arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

##### Credit risk management

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The company considers the probability of default upon 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,
- (iv) Significant increases in credit risk on other financial instruments of the same counterparty,
- (v) Significant changes in the value of collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

The company provides for expected credit loss as per simplified approach in case of trade receivables, claims receivable and security deposits when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company. The Company categorises a receivable for provision for doubtful debts/write off when a debtor fails to make contractual payments greater than 180 days past due. The amount of provision depends on certain parameters set by the Company in its provisioning policy. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

### Provision for expected credit loss

Financial assets for which loss allowance is measured using 180 days Expected Credit Losses (ECL)

Exposure to risk	31 March 2024	31 March 2023
Trade receivables	7363.647	7235.057
Less : expected loss	605.363	437.744
	6758.284	6797.313

	31 March 2024	31 March 2023
<b>Trade receivables</b>		
Neither past due nor impaired	3328.832	3106.941
Less than 180 days	2630.869	2840.746
181 - 365 days	373.885	405.545
More than 365 days	1030.061	881.826
<b>Gross trade receivables</b>	7363.647	7235.057
Less: Impairment Allowance	(605.363)	(437.744)
<b>Total</b>	6758.284	6797.314

### Reconciliation of loss provision

	FY 2023-24	FY 2022-23
Opening loss allowance	437.744	372.364
Changes in loss allowance	167.619	65.379
Closing loss allowance	605.363	437.744

### B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is carried out in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.



## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

<b>Exposure to risk</b>	31 March 2024	31 March 2023
<b>Other financial liabilities</b>		
On demand	11.155	9.834
Less than 365 days	740.079	495.602
More than 365 days	213.891	244.554
<b>Total</b>	<b>965.125</b>	<b>749.990</b>
<b>Trade payables</b>		
Not Due	3576.917	4261.502
Less than 365 days	319.380	185.350
More than 365 days		
<b>Total</b>	<b>3896.297</b>	<b>4446.852</b>

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

	31 March 2024	31 March 2023
Expiring within one year	180.000	180.000
Expiring beyond one year	-	-

### (C) Foreign currency risk

The Company is exposed to foreign exchange risk mainly through its sales to overseas customers and purchases from overseas suppliers in various foreign currencies.

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies, including use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk, where the economic conditions match the Company's policy.

#### Foreign currency exposure :

Financial assets	Currency	Amount in foreign currency		Amount in INR	
		31 March 2024	31 March 2023	31 March 2024	31 March 2023
Trade receivables	EUR	10.569	5.367	941.471	475.314
	USD	9.550	10.035	788.465	817.890
	GBP	0.180	0.180	18.698	18.107
Less: Foreign exchange forward contracts	EUR	10.569	4.000	962.609	361.800
	USD	9.550	3.100	801.167	256.370
Bank accounts	EUR	1.054	0.000	93.931	0.000
	USD	0.792	0.293	65.390	23.904
Other receivable	USD	0.106	0.110	8.782	8.957

Financial liabilities	Currency	Amount in foreign currency		Amount in INR	
		31 March 2024	31 March 2023	31 March 2024	31 March 2023
Trade payables	EUR	0.254	0.401	23.165	36.287
	USD	1.795	1.254	150.577	103.747
	GBP	0.000	0.000	0.019	0.018
	SEK	0.632	0.632	4.931	5.005

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

### Currency wise net exposure ( assets -liabilities )

Particulars	Amount in foreign currency		Amount in INR	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
EUR	<b>0.800</b>	0.966	<b>49.628</b>	77.227
USD	<b>(0.897)</b>	6.084	<b>(89.107)</b>	490.635
GBP	<b>0.180</b>	0.180	<b>18.679</b>	18.088
SEK	<b>(0.632)</b>	(0.632)	<b>(4.931)</b>	(5.005)

### Sensitivity analysis

Currency	Amount in INR		Sensitivity %	Impact on profit-strengthen [ Loss / (Gain) ]		Impact on profit -weakening [ Loss / (Gain) ]	
	2024	2023		2024	2023	2024	2023
EUR	<b>49.628</b>	77.227	5.00%	<b>(2.481)</b>	(3.861)	<b>2.481</b>	3.861
USD	<b>(89.107)</b>	490.635	5.00%	<b>4.455</b>	(24.532)	<b>(4.455)</b>	24.532
GBP	<b>18.679</b>	18.088	5.00%	<b>(0.934)</b>	(0.904)	<b>0.934</b>	0.904
SEK	<b>(4.931)</b>	(5.005)	5.00%	<b>0.247</b>	0.250	<b>(0.247)</b>	(0.250)
<b>Total</b>	<b>(25.730)</b>	580.945		<b>1.287</b>	(29.047)	<b>(1.287)</b>	29.047

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

## 38 Ageing schedule for Trade Receivables, Trade Payables and Capital Work-in-progress

(A) The table below provides details regarding Trade receivables ageing schedule

Particulars	31 March 2024						
	Unbilled dues/Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 Year	1-2 Years	2-3 Years	More than 3 years	
(i) Undisputed Trade receivables – considered good	3306.865	2630.869	336.399	331.004	131.180	-	6736.317
(ii) Undisputed Trade Receivables – credit impaired	21.967	-	37.486	148.376	96.171	246.890	550.890
(iii) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – credit impaired	-	-	-	-	-	76.440	76.440
<b>Gross trade receivable</b>	<b>3328.832</b>	<b>2630.869</b>	<b>373.885</b>	<b>479.380</b>	<b>227.351</b>	<b>323.330</b>	<b>7363.647</b>
Less: Impairment Allowance							(605.363)
<b>Total</b>							<b>6758.284</b>

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

Particulars	31 March 2023						
	Unbilled dues/Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 years	
(i) Undisputed Trade receivables – considered good	3106.941	2840.746	368.978	301.160	134.968	-	6752.792
(ii) Undisputed Trade Receivables – credit impaired	-	-	36.567	80.516	95.182	177.536	389.801
(iii) Disputed Trade Receivables – considered good	-	-	-	-	-	44.521	44.521
(iv) Disputed Trade Receivables – credit impaired	-	-	-	-	-	47.942	47.942
<b>Gross trade receivable</b>	<b>3106.941</b>	<b>2840.746</b>	<b>405.545</b>	<b>381.675</b>	<b>230.151</b>	<b>270.000</b>	<b>7235.056</b>
Less: Impairment Allowance							(437.744)
<b>Total</b>							<b>6797.313</b>

(B) The table below provides details regarding Trade payables ageing schedule

Particulars	31 March 2024					
	Unbilled dues/Not due	Outstanding for following periods 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	711.504	-	-	-	-	711.504
(ii) Other-Undisputed	2865.413	319.380	-	-	-	3184.793
<b>Total</b>	<b>3576.917</b>	<b>319.380</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3896.297</b>

Particulars	31 March 2023					
	Unbilled dues/Not due	Outstanding for following periods 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	1038.312	-	-	-	-	1038.312
(ii) Other-Undisputed	3223.190	135.453	30.107	3.064	16.726	3408.540
<b>Total</b>	<b>4261.502</b>	<b>135.453</b>	<b>30.107</b>	<b>3.064</b>	<b>16.726</b>	<b>4446.852</b>

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

(C) The table below provides details regarding Capital Work-in-progress (CWIP) and Intangibles under Development ageing schedule

Particulars	31 March 2024				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Capital Work-in-progress	11.690	10.532	-	-	22.222
Intangibles under Development	398.496	3.050	-	-	401.546

Particulars	31 March 2023				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Capital Work-in-progress	47.790	18.166	-	-	65.956
Intangibles under Development	0.763	-	-	-	0.763

Projects whose completion is overdue or has exceeded its cost compared to its original plan the year ended 31 March 2024  
INR: NIL (31 March 2023 INR: NIL)

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

### 39 Analytical Ratios

Sr. No.	Ratio	Numerator	Denominator	31 March 2024	31 March 2023	% Variance	Reason for Variance
1	Current ratio	Current assets	Current liabilities	1.60	1.45	10.16%	NA
2	Debt-equity ratio	Debt	Net worth	NA	NA	NA	NA
3	Debt service coverage ratio	Profit after tax excluding exceptional items+Finance Cost+Depreciation and amortisation	Interest & Lease Payments + Principal Repayments	14.38	19.21	-25.17%	Decrease in ratio is mainly on account of increase in number of leases entered during the year compared to increase in profit
4	Return on equity ratio	Profit after tax	Average Shareholder's Equity	24.10%	24.09%	0.03%	NA
5	Inventory turnover ratio	Cost of Materials consumed + Changes in Inventory + Consumption of stores and spares	Average Inventory	7.76	6.95	11.78%	NA
6	Trade receivables turnover ratio	Sales (billed to customer)	Average Accounts Receivable	4.29	5.80	-25.99%	Revenue and trade receivables were significantly lower in FY 2021-22 compared to FY 2022-23, reducing the average receivables for FY 2022-23. With no significant revenue change this year, the average accounts receivable turnover ratio decreased.
7	Trade payables turnover ratio	Net credit purchases	Average Trade Payables	4.11	4.95	-16.98%	NA

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

Sr. No.	Ratio	Numerator	Denominator	31 March 2024	31 March 2023	% Variance	Reason for Variance
8	Net capital turnover ratio	Sales	Average Working capital	4.46	5.72	-22.05%	NA
9	Net profit ratio	Profit After Tax	Sales	9.38%	7.54%	24.45%	NA
10	Return on capital employed	Earning Before Interest & Tax	Capital Employed	29.21%	29.50%	-0.98%	NA
11	Return on investment	Income from Investments	Investment				
	i. Mutual Funds			7.48%	5.28%	41.75%	Increase in return on investment due to favourable market conditions
	ii. Bonds			7.37%	7.04%	4.65%	NA
	iii. Fixed Deposits			2.10%-6.55%	2.10%-3.62%	NA	
	iv. Subsidiaries			22.74%	18.02%	26.17%	Increase in return due to better performance of subsidiaries

### 40 Other Notes

#### i Details of Benami Property

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

#### ii Borrowings secured against current assets

Though the Company does not have any fund based borrowings from banks or financial institutions on the basis of security of current assets, it has filed quarterly returns or statements of current assets with banks or financial institutions and the same are in agreement with the books of account read with notes given in the quarterly returns or statements.

#### iii Wilful Defaulter

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

#### iv Relationship with Struck off Companies

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

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

### v Registration of charges with ROC

There are three charges totalling to INR 781.550 million created in favour of banks which are pending for satisfaction. There are no outstanding dues to these banks and satisfaction of these charges are pending due to technical issues which are being sorted out by the Company.

### vi Utilisation of Borrowed funds and share premium

The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), 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;

### vii Details of Crypto-Currency or Virtual Currency

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

### viii Disclosure pursuant to Sec 186 (4) of the Companies Act, 2013

#### A 1) Name: Praj Industries Philippines Limited

2) Purpose: Corporate Guarantee given for working capital limit

3) Amount: INR 125.835 (31 March 2023: 124.050)

4) No outstanding borrowings as on reporting date (31 March 2023: Nil)

#### B 1) Name: Praj HiPurity Systems Limited

2) Purpose: Corporate Guarantee given for working capital limit

3) Amount: INR 940.000 (31 March 2023: 700.000)

4) No outstanding borrowings as on reporting date (31 March 2023: Nil)

#### C 1) Name: Praj GenX Limited

a) Nature of transaction: Corporate Guarantee given

i) Purpose: Corporate Guarantee given for lease payments

ii) Amount: INR 324.591 (31 March 2023: Nil)

iii) Lease liability as on reporting date is Rs. 246.595 (31 March 2023: Nil)

b) Nature of transaction: Inter Corporate Loan given

i) Purpose: General corporate purpose

ii) Amount: INR 798.500 (31 March 2023: Nil)

iii) Maximum outstanding balance is Rs. 798.500 (31 March 2023: Nil)

iv) Rate of interest: MCLR+2%

## Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2024

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

### 41 Capital management

#### Risk management

The Company's objectives when managing capital are to

- safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits to other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents) divided by total 'equity' (as shown in the balance sheet).

The Company's strategy is to maintain a gearing ratio of 0%. The gearing ratios were as follows:

	31 March 2024	31 March 2023
Loans and borrowings	-	
Less: cash and cash equivalents	<b>1071.602</b>	590.807
Net debt	-	-
Equity	<b>12610.928</b>	10661.853
Capital and net debt	<b>12610.928</b>	10661.853
<b>Gearing ratio</b>	<b>0%</b>	0%

- 42** The Ministry of Corporate Affairs vide notification number GSR 205 (E) dated 24th March 2021 and as amended from time to time, read with proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, for the financial year commencing April 1, 2023 has prescribed, inter-alia, certain requirements related to maintenance of an audit trail emanating from accounting software. The Company had enabled the audit trail at an application level for all the tables and fields for its books of account and relevant transactions in the accounting software used by it, in conformity with the said regulations. However, the accounting software 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 the present design of the accounting software. The interpretation and guidance on what level of edit log and audit trail needs to be maintained, continues to evolve.

As per our report of even date.

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

For **P G BHAGWAT LLP**  
Chartered Accountants  
Firm Regn. No: 101118W/W100682

**Dr. Pramod Chaudhari**  
Executive Chairman  
(DIN : 00196415)

**Shishir Joshipura**  
CEO and Managing Director  
(DIN : 00574970)

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

**Abhijeet Bhagwat**  
Partner  
Membership No.: 136835

**Anant Bavare**  
Company Secretary  
(M.No.: ACS21405)

Place: Pune  
Date: 30 May 2024



# Independent Auditors' Report

TO THE MEMBERS OF PRAJ INDUSTRIES LIMITED

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the Consolidated Financial Statements of Praj Industries Limited (hereinafter referred to as the "Holding Company") and its Subsidiaries (Holding Company and its Subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, of the consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in the Other Matters paragraph of our report, is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition	Principle Audit Procedures
The Holding Company is engaged in the business of process and project engineering. The Holding Company recognises revenue from contracts on satisfaction of performance obligations over a period of time. Refer note 2.15 and 27 to the Consolidated Financial Statements. There are significant accounting judgements including estimation of costs to complete, determining the stage of completion and the timing of revenue recognition. The Holding Company recognises revenue and profit/loss on the basis of stage of completion based on the proportion of contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion.	<ol style="list-style-type: none"><li>i. Testing of the design and implementation of controls involved in the determination of the estimates used as well as their operating effectiveness;</li><li>ii. Testing a sample of contracts for appropriate identification of performance obligations and verification of contract value;</li><li>iii. For the sample selected, matched the contract revenue, actual invoices recorded and actual cost incurred against each project on the basis on which revenue is recognised;</li><li>iv. Reviewed on a test check basis significant changes in cost to complete estimates, its approval mechanism and understood the reasons for such revisions in estimates;</li></ol>

Revenue Recognition	Principle Audit Procedures
<p>The recognition of revenue and profit/loss therefore rely on estimates in relation to total estimated costs of each contract. Cost contingencies are included in these estimates to take into account specific uncertain risks, or disputed claims against the Holding Company, arising within each contract. These contingencies are reviewed by the Management on a regular basis throughout the contract life and adjusted where appropriate.</p>	<ul style="list-style-type: none"> <li>v. Understood the process, nature of expense heads and overheads adopted by the Holding Company’s management to estimate costs for sample contracts;</li> <li>vi. Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings;</li> <li>vii. We have ensured that the disclosures provided in notes is in accordance with the Ind AS and the Companies Act, 2013.</li> </ul>

### Other Information

The Holding Company’s Board of Directors is responsible for the other information. The other information comprises of the Management Discussion and Analysis; Board of Directors’ Report along with its Annexures and Corporate Governance Report included in the Annual Report but does not include the Consolidated Financial Statements and our Auditors’ Report thereon. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

The Holding Company’s Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), the consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Companies included in the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

### Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls with reference to the Consolidated Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in section titled Other Matter in this audit report.

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

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

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

### **Other Matters Paragraphs**

We did not audit the financial statements of two subsidiaries included in the Consolidated Financial Statements, whose financial statements reflect total assets of Rs. 76.938 million as at March 31, 2024, revenues from operation of Rs. 27.981 million, total

comprehensive income (comprising of profit and other comprehensive income) of Rs. (1.922) million and net cash inflows of Rs. 15.487 million, for the year ended as on that date. These financial statements have been audited by other auditors whose reports have been furnished to us by the Holding Company's management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us are as stated in paragraph above.

These subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements and other financial information of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments, if any, made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and based on the consideration of reports of other auditors on separate financial statements, as noted in the Other Matters paragraph, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in the paragraph 1 i) (vi) below on reporting under Rule 11(g).
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
  - d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and companies incorporated in India included in the Group, none of the directors of the companies incorporated in India included in the Group, is disqualified as on March 31, 2024 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 1 (b) above and refer to our comment in paragraph 1 i)(vi) below, on reporting under rule 11 (g).
  - g) For our opinion on the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure I.
  - h) As required by section 197 (16) of the Act; in our opinion and according to the information and explanations given to us; the remuneration paid during the current year to its Directors by the companies incorporated in India to whom section 197 applies, included in the Group is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act.
  - 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 and on the consideration of reports of the other auditors on separate financial statements:

- (i) The Consolidated Financial Statements disclose the impact of pending litigations as at March 31, 2024 on the consolidated financial position of the Group - Refer Note 26 to the Consolidated Financial Statements.
- (ii) The Group has made provision, as required under any law or accounting standards, for material foreseeable losses on long term contracts. The Group did not material foreseeable losses on any derivative contracts.
- (iii) There is no delay in amounts, required to be transferred, to the Investor Education and Protection Fund by the companies incorporated in India in the Group during the year ended March 31, 2024.
- (iv)
  - (a) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer Note 39 (vi) to the Consolidated Financial Statements.
  - (b) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer Note 39 (vi) to the Consolidated Financial Statements.
  - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under vi (a) and (b) above, contain any material misstatement.
- (v) The dividend declared and paid during the year by the Holding Company and Subsidiary Company is in compliance with Section 123 of the Act.
- (vi) Based on our examination which included test, the Holding Company and Indian subsidiary companies have 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 in the Holding Company and four subsidiary companies' accounting software no audit trail (edit log) facility/feature was enabled at the database level to log any direct changes. Refer note 44 to the Consolidated Financial Statements.

Further, during the course of 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.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by us for the Holding Company and other Indian subsidiary companies included in the Consolidated Financial Statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports except in case of Praj Industries Limited having CIN L27101PN1985PLC038031 in clause (vii) (a).

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

**Abhijeet Bhagwat**  
Partner  
Membership Number: 136835  
UDIN: 24136835BKBGVZ1661

Pune  
May 30, 2024

## Annexure I 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 Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to the Consolidated Financial Statements of Praj Limited (hereinafter referred to as the "Holding Company") and its Subsidiaries incorporated in India (Holding Company and its Subsidiaries together referred to as "the Group") as of that date.

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to the Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal financial controls over financial reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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

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

#### **Meaning of Internal Financial Controls with reference to the Consolidated Financial Statements**

A Company's internal financial control with reference to the Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to the Consolidated Financial Statements those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated Financial Statements.

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

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

### **Opinion**

In our opinion, the Holding Company and subsidiaries incorporated in India have, in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

For **P G BHAGWAT LLP**

Chartered Accountants

Firm Registration Number: 101118W/W100682

**Abhijeet Bhagwat**

Partner

Membership Number: 136835

UDIN: 24136835BKBGVZ1661

Pune

May 30, 2024



# Consolidated Balance Sheet as at 31<sup>st</sup> March 2024

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

Particulars	Note no.	31 March 2024	31 March 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	4071.858	2365.992
Capital work-in-progress	3	31.991	68.724
Investment property	3	-	136.928
Goodwill	3	626.150	626.150
Intangible assets	3	46.009	39.170
Intangible assets under development		401.546	0.763
Financial assets			
Investments	4	945.390	844.534
Others	5	421.435	123.367
Deferred tax assets (net)	24	90.704	111.470
Other assets	6	79.800	49.761
		<b>6714.883</b>	<b>4366.859</b>
<b>Current assets</b>			
Inventories	7	2208.522	3336.241
Financial assets			
Investments	4	4021.333	4584.407
Trade receivables	8	8359.836	7948.334
Cash and cash equivalents	9	1684.158	985.814
Other bank balances	10	442.900	462.381
Others	5	153.027	187.108
Current tax asset (net)		84.798	54.059
Other assets	6	5148.030	4261.465
Asset classified as held for sale	3	136.928	-
		<b>22239.532</b>	<b>21819.809</b>
<b>TOTAL ASSETS</b>		<b>28954.415</b>	<b>26186.668</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	11	367.626	367.426
Other equity	12	12377.073	10412.558
<b>Sub-total - total equity attributable to parent</b>		<b>12744.699</b>	<b>10779.984</b>
Non-controlling interests		0.999	0.688
<b>Total equity</b>		<b>12745.698</b>	<b>10780.672</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Lease Liability	30	1417.185	262.692
Other financial liabilities		6.393	6.393
Provisions	13	180.915	131.590
Deferred tax liabilities (net)	27	13.032	-
		<b>1617.525</b>	<b>400.675</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	14		
(i) Total outstanding dues of micro enterprises and small enterprises		890.872	1166.635
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		4076.696	3883.522
Lease Liability	30	276.138	158.757
Other financial liabilities	15	631.132	388.529
Other current liabilities	16	7929.017	8640.728
Provisions	13	579.225	439.803
Current tax liabilities (net)		208.112	327.347
		<b>14591.192</b>	<b>15005.321</b>
<b>TOTAL LIABILITIES</b>		<b>16208.717</b>	<b>15405.996</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>28954.415</b>	<b>26186.668</b>
Corporate Information	1		
Summary of material accounting policies	2		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date.

For **P G BHAGWAT LLP**  
Chartered Accountants  
Firm Regn. No: 101118W/W100682

**Abhijeet Bhagwat**  
Partner  
Membership No.: 136835

Place: Pune  
Date: 30 May 2024

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

**Dr. Pramod Chaudhari**  
Executive Chairman  
(DIN : 00196415)

**Shishir Joshipura**  
CEO and Managing Director  
(DIN : 00574970)

**Anant Bavare**  
Company Secretary  
(M.No.: ACS21405)

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

## Consolidated Statement of profit and loss for the year ended 31<sup>st</sup> March 2024

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

Particulars	Note no.	31 March 2024	31 March 2023
<b>INCOME</b>			
Revenue from operations	17	34662.784	35280.378
Other income	18	434.986	356.008
<b>Total Income</b>		<b>35097.770</b>	<b>35636.386</b>
<b>EXPENSES</b>			
Cost of materials consumed	19	19121.693	22291.935
Changes in inventories of finished goods, stock-in-trade and work-in-progress	20	499.463	(277.581)
Employee benefits expense	21	3187.354	2575.915
Finance costs	22	97.883	46.289
Depreciation and amortization expense	3	440.559	302.471
Exchange (gain) / loss		(159.606)	(102.020)
Other expenses	23	8135.816	7612.128
<b>Total expenses</b>		<b>31323.162</b>	<b>32449.137</b>
<b>Profit before tax</b>		<b>3774.608</b>	<b>3187.249</b>
<b>Tax expense</b>			
Current tax	24	917.606	874.854
Deferred tax		46.130	(85.497)
Adjustments of tax relating to earlier periods		(23.037)	(0.290)
<b>Total tax expenses</b>		<b>940.699</b>	<b>789.067</b>
<b>Profit for the year</b>		<b>2833.909</b>	<b>2398.182</b>
<b>Attributable to :</b>			
Non-controlling interests		0.349	0.241
Owners of the company		2833.560	2397.941
<b>Profit for the year</b>		<b>2833.909</b>	<b>2398.182</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit and loss:</b>			
Re-measurement of defined benefit plans		(59.815)	(21.372)
Income tax effect		12.388	5.366
		(47.427)	(16.006)
<b>Items that will be reclassified to profit and loss :</b>			
Debt instruments through other comprehensive income		0.249	(5.261)
Income tax effect		(0.063)	1.324
		0.186	(3.937)
<b>Items that will be reclassified to profit and loss:</b>			
Exchange differences on translation of foreign operations		(2.720)	3.612
Income tax effect		-	-
		(2.720)	3.612
<b>Other comprehensive income</b>		<b>(49.961)</b>	<b>(16.331)</b>
<b>Total comprehensive income for the year</b>		<b>2783.948</b>	<b>2381.851</b>
<b>Attributable to :</b>			
Non-controlling interests		0.349	0.241
Owners of the company		2783.599	2381.610
<b>Earnings per equity share (Nominal value per share INR 2 each)</b>	25		
(1) Basic		15.42	13.05
(2) Diluted		15.42	13.05
Corporate Information	1		
Summary of material accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For P G BHAGWAT LLP  
Chartered Accountants  
Firm Regn. No: 101118W/W100682

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

**Abhijeet Bhagwat**  
Partner  
Membership No.: 136835

**Dr. Pramod Chaudhari**  
Executive Chairman  
(DIN : 00196415)

**Shishir Joshipura**  
CEO and Managing Director  
(DIN : 00574970)

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

Place: Pune  
Date: 30 May 2024

**Anant Bavare**  
Company Secretary  
(M.No.: ACS21405)

## Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March 2024

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

	31 March 2024	31 March 2023
<b>A. Cash flow from operating activities</b>		
<b>Net profit before tax</b>	<b>3774.608</b>	3187.249
Adjustments for:		
Loss / (profit) on sale of property, plant and equipment	(1.595)	3.379
Gain on redemption of mutual fund investments	(116.120)	(53.819)
Bad Debts / Provision for doubtful debts and advances	231.769	255.355
Excess provision / creditors written back (including advances)	(3.258)	(70.348)
Unrealised foreign exchange (gain) / loss (net)	(112.237)	18.717
Sundry Balances Written Off	3.188	0.623
Depreciation and amortisation	440.559	302.471
Interest earned	(152.995)	(83.047)
Unrealised gain on mutual fund investments	(148.502)	(141.867)
Interest on Lease Liability	94.012	30.846
Interest charged	0.157	10.785
Equity-settled share-based payment transactions	-	7.848
<b>Operating profit before working capital changes</b>	<b>4009.586</b>	<b>3468.192</b>
Changes in working capital		
(Increase) /decrease in trade receivables	(600.774)	(3060.416)
(Increase)/decrease in inventories (including contracts in progress)	239.859	(186.889)
(Increase)/decrease in other non-current financial assets	(246.089)	(7.137)
(Increase)/decrease in other non-current assets	8.142	7.312
(Increase)/decrease in current financial assets-others	44.101	61.609
(Increase)/decrease in other current assets	1.294	52.794
Increase/(decrease) in trade payables	(76.215)	811.638
Increase/(decrease) in other current financial liabilities	241.281	66.228
Increase/(decrease) in other current liabilities	(711.720)	879.375
Increase/(decrease) in long term provisions	49.325	(38.943)
Increase/(decrease) in short term provisions	79.607	192.753
<b>Cash generated from operations</b>	<b>3038.397</b>	<b>2246.516</b>
Direct taxes paid (including taxes deducted at source), net of refunds	(1044.543)	(625.195)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>1993.854</b>	<b>1621.321</b>

	31 March 2024	31 March 2023
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(892.738)	(352.005)
Investments:		
- in subsidiaries		
- in mutual funds	(4003.211)	(4231.505)
- in debentures & bonds	(347.079)	(883.252)
Sale of investments		
- in mutual funds	5111.577	4134.858
- in debentures & bonds	285.801	399.835
Proceeds from sale of property, plant and equipment	7.820	(1.131)
Interest received on investments	159.133	79.923
Investment /(redemption) in fixed deposits	(422.480)	8.859
<b>NET CASH FROM / (USED) IN INVESTING ACTIVITIES</b>	<b>(101.177)</b>	<b>(844.418)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from exercise of employee stock options	9.000	3.600
Dividend paid	(826.601)	(771.074)
Interest on Lease Liability	(94.012)	(30.846)
Principal Payment on Leases	(327.119)	(124.870)
Interest paid	(0.157)	(10.785)
<b>NET CASH FROM / (USED) IN FINANCING ACTIVITIES</b>	<b>(1238.889)</b>	<b>(933.975)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>653.788</b>	<b>(157.072)</b>
<b>Cash and cash equivalents at the beginning of the year (Refer Note 9)</b>	<b>985.814</b>	<b>1074.563</b>
<b>Add: effect of exchange rate changes on cash and cash equivalents</b>	<b>44.556</b>	<b>68.323</b>
<b>Cash and cash equivalents at the end of the year (Refer Note 9)</b>	<b>1684.158</b>	<b>985.814</b>

**Notes:**

Cash outflow related to Corporate Social Responsibility (CSR) activities disclosed in Note No. 34

The statement of cash flows has been prepared under the 'Indirect method' as set out in Ind AS 7 - Statement of Cash Flows

The accompanying notes are an integral part of the Financial statements.

As per our report of even date.

For **P G BHAGWAT LLP**  
Chartered Accountants  
Firm Regn. No: 101118W/W100682

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

**Abhijeet Bhagwat**  
Partner  
Membership No.: 136835

**Dr. Pramod Chaudhari**  
Executive Chairman  
(DIN : 00196415)

**Shishir Joshipura**  
CEO and Managing Director  
(DIN : 00574970)

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

Place: Pune  
Date: 30 May 2024

**Anant Bavare**  
Company Secretary  
(M.No.: ACS21405)

## Statement of changes in equity for the year ended 31<sup>st</sup> March 2024

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

### A. Equity share capital

	Changes in equity share capital during the year	Balance as on 31 March 2023
Balance as on 1 April 2022	0.080	367.426
Balance as on 1 April 2023		Balance as on 31 March 2024
	0.200	367.626

### B. Other equity

Particulars	Capital Reserve	Securities Premium Reserve	Reserves and Surplus		Reserves and Surplus			Retained earnings	Debt instruments through Other Comprehensive Income	Exchange differences on translating the financial statements of a foreign operation	Total attributable to owners of the company	Non controlling interest	Total
			Capital redemption reserve	Amalgamation reserve	Share option outstanding account	Economic Zone Re-investment Reserve	Special Reserve						
Balance at the beginning of the reporting period as at 1 April 2022	0.033	1025.997	14.627	3.063	29.355	322.500	958.500	6420.219	0.000	15.543	8789.838	0.448	8790.286
Profit for the year								2397.941			2397.941	0.240	2398.181
Other comprehensive income								(16.006)	(3.937)	3.612	(16.331)		(16.331)
Dividends								(770.260)			(770.260)		(770.260)
Transfer to retained earnings													
Employee stock options exercised during the year		14.152			(10.632)						3.520		3.520
Equity settled share based payment to employees					7.850						7.850		7.850
Employee stock options expired and transferred to/from statement of profit and loss													
Transfer to/ From Special Economic Zone Re-investment Reserve						(159.500)		159.500					
Balance as on 31 March 2023	0.033	1040.149	14.627	3.063	26.573	163.000	958.500	8191.395	(3.937)	19.155	10412.558	0.688	10413.246

Particulars	Reserves and Surplus										Total		
	Capital Reserve	Securities Premium Reserve	Capital redemption reserve	Amalgamation reserve	Share option outstanding account	Economic Zone Re-investment Reserve	General reserve	Retained earnings	Debt instruments through Other Comprehensive Income	Exchange differences on translating the financial statements of a foreign operation		Total attributable to owners of the company	Non controlling interest
Balance at the beginning of the reporting period as at 1 April 2023	0.033	1040.149	14.627	3.063	26.573	163.000	958.500	8191.395	(3.937)	19.155	10412.558	0.688	10413.246
Profit for the year													
Other comprehensive income													
Dividends													
Transfer to retained earnings													
Employee stock options exercised during the year		35.369			(26.569)								
Equity settled share based payment to employees					(0.004)							0.005	8.800
Employee stock options expired and transferred to/from statement of profit and loss													
Transfer to/ From Special Economic Zone Re-investment Reserve						(163.000)		163.000					
Adjustment due to change in NCI								0.043			0.043	(0.043)	
<b>Balance as on 31 March 2024</b>	<b>0.033</b>	<b>1075.518</b>	<b>14.627</b>	<b>3.063</b>	<b>-</b>	<b>-</b>	<b>958.500</b>	<b>10312.648</b>	<b>(3.751)</b>	<b>16.435</b>	<b>12377.073</b>	<b>0.999</b>	<b>12378.072</b>

As per our report of even date.

For P G BHAGWAT LLP  
Chartered Accountants  
Firm Regn. No: 101118W/W100682

**Abhijeet Bhagwat**  
Partner  
Membership No.: 136835

Place: Pune  
Date: 30 May 2024

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

**Dr. Pramod Chaudhari**  
Executive Chairman  
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**Shishir Josphipura**  
CEO and Managing Director  
(DIN : 00574970)

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

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Company Secretary  
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# Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

## 1 The corporate overview

Praj Industries Limited ('PIL' or 'the Holding Company' or 'the Company') is a public company domiciled in India and incorporated under the provisions of Indian Companies Act. The Company's registered office is at "Praj Tower", S. No. 274 and 275/2, Bhumkar Chowk-Hinjewadi Road, Hinjewadi, Pune – 411057, Maharashtra, India. The Company's ordinary shares are listed on the Bombay Stock Exchange and National Stock Exchange in India.

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (together referred to as "the Group").

The Group is engaged in the business of process and project engineering. The Group caters to both domestic and international markets. Further, the Group also provides design and engineering services.

## 2 Material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation

The financial statements of the Group comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the Act), [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The Group has elected to present (gains) or losses arising from foreign exchange differences in a separate line item "Exchange (gain)/ loss" on the face of the statement of profit and loss.

The consolidated financial statements were authorised for issue by the Board of Directors on 30 May 2024.

### 2.2 Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following items, which are measured on an alternative basis on each reporting date.

Items	Measurement basis
Derivative financial instruments at fair value through profit or loss	Fair value
Certain non-derivative financial instruments at fair value through profit or loss and fair value through other comprehensive income	Fair value
Equity-settled share based payment transactions	Grant date fair value
Defined benefit plan assets	Fair value

### 2.3 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Group's functional currency. All amounts have been rounded-off to the nearest million, as per the requirements of Schedule III, unless otherwise stated.

### 2.4 Significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities and disclosure of the contingent liabilities at the end of each reporting period. Actual results may differ from these estimates.

Detailed information about each of these estimates and judgements is included in relevant notes.

The areas involving critical estimates and judgements are:

- Estimation of defined benefit obligation – Note 31

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Information about the various estimates and assumptions made in determining the present value of defined benefit obligations are disclosed in note 31.

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

- Recognition of revenue – Note 27  
The Group uses the percentage-of-completion method in accounting for fixed-price contracts for projects. Use of the percentage-of-completion method requires the Group to determine the actual efforts or costs expended to date as a proportion of the estimated total efforts or costs to be incurred. Efforts or costs expended are used to measure progress towards completion as there is a direct relationship between input and productivity. The estimation of total efforts or costs involves significant judgment and is assessed throughout the period of the contract to reflect any changes based on the latest available information.
- Recognition of deferred tax assets for carried forward tax losses – Note 24  
The Group uses judgement based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Group exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.
- Impairment of trade receivables – Note 36  
The Group uses simplified approach for recognising expected credit loss. The amount of provision depends on certain parameters set by the Group in its provisioning policy. The setting up of parameters requires significant judgement and estimation. The same is reviewed by the management at a regular frequency.

Estimation and underlying assumptions are reviewed on ongoing basis. Revisions to estimates are recognised prospectively.

### 2.5 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### 2.6 Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.



## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the holding Company, i.e., year ended on 31 March 2024. The subsidiaries considered in the consolidated financial statements are summarized below:

% of shareholding in equity shares

Name of the subsidiary	Country of incorporation	31-Mar-24	31-Mar-23
Praj Engineering & Infra Limited	India	99.67%	99.65%
Praj HiPurity Systems Limited	India	100.00%	100.00%
Praj GenX Limited	India	100.00%	100.00%
Praj Far East Co Limited	Thailand	100.00%	100.00%
Praj Americas Inc.	USA	100.00%	100.00%
Praj far East Philippines Inc.	Philippines	100.00%	100.00%

In preparing the consolidated financial statements, the Group has used the following key consolidation procedures:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the holding Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the holding Company's investment in each subsidiary and the holding Company's portion of equity of each subsidiary. Business combinations policy explains accounting for any related goodwill.
- Eliminate in full Intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group. Profits or losses resulting from Intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full. However, Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 - Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from Intragroup transactions.

Profit and loss and each component of other comprehensive income ('OCI') are attributed to the equity holders of the holding Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it deconsolidates the subsidiary from the date it ceases control.

### 2.7 Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed (including contingent liabilities) are recognised/ measured at their acquisition date fair values, except for certain cases.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

### 2.8 Property, plant and equipment

- **Recognition and measurement**

Items of property, plant and equipment are measured at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment under construction are disclosed as capital work-in-progress.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are disclosed under 'Other non-current assets'.

- **Subsequent costs**

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss as incurred.

- **Disposal**

An item of property, plant and equipment is derecognised upon disposal or when no future benefits are expected from its use or disposal. Net gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised within other income/ expenses in the statement of profit and loss.

- **Depreciation**

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment as prescribed in Schedule II of the Companies Act, 2013, as assessed by the management of the Group based on technical evaluation. Freehold land is not depreciated.

The property, plant and equipment acquired under finance leases is depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Useful life (in years)
Buildings	30-60
Plant and machinery	7.5-15
Computers and office equipment	3-5
Vehicles	8
Furniture and fixtures	10

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

### 2.9 Intangible assets

- **Recognition and measurement**

Intangible assets are recognised when the asset is identifiable, is within the control of the Group, it is probable that the future economic benefits that are attributable to the asset will flow to the Group and cost of the asset can be reliably measured.

- **Internally generated intangible asset**

Research costs are charged to the statement of profit and loss in the year in which they are incurred.

Product development costs incurred on new products i.e. Including pilot plants are recognised as intangible assets, when feasibility has been established, the Company has committed technical, financial and other resources to complete the development and it is probable that the asset will generate future economic benefits.

The cost of an internally generated intangible asset is the sum of directly attributable expenditure incurred from the date when the intangible asset first meets the recognition criteria to the completion of its development.

Interest cost incurred is capitalised up to the date the asset is ready for its intended use for qualifying assets, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings if no specific borrowings have been incurred for the asset.

Product development expenditure is measured at cost less accumulated amortisation and impairment, if any.

Amortisation is not recorded on product engineering in progress until development is complete.

Intangible assets that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

- **Subsequent measurement**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

- **Amortisation**

Amortisation is calculated on the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for current and comparative periods are as follows:

<b>Asset</b>	<b>Useful life</b>
Technical know-how	5 - 10 years
Software	5 years
Demo / Pilot Plants for new technology	5 - 10 years

### 2.10 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property.

Investment property is initially measured at cost, including related transaction costs. The cost of investment property includes its purchase price and directly attributable expenditure, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Subsequent to the initial recognition, investment property is stated at cost less accumulated depreciation and accumulated impairment loss, if any. Depreciation on investment property has been provided in a manner that amortises the cost of the assets over their estimated useful lives on the straight line method as per the useful life prescribed under Schedule II to the Act. Investment property in the form of land is not depreciated.

Investment property is derecognised either when it is disposed off or permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement profit and loss in the period of derecognition.

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

### 2.11 Non-current asset held for sale

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

### 2.12 Impairment of non-financial assets

The Group assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in the statement of profit and loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 2.13 Inventories

Raw materials, components, stores and spares, work-in-progress and finished goods are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost of raw materials, components, stores and spares comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated based on normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory based on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### 2.14 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### 2.15 Revenue recognition

Revenue is recognised when performance obligation is satisfied by transferring Control of promised goods or services and to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the transaction price (consideration) allocated to performance obligation adjusted for returns, trade allowances, rebates, and excludes taxes collected from customer on behalf of government and amounts collected on behalf of third parties.

- **Contract revenue**

Revenue from fixed price contracts is recognised over time, when the outcome of the contract can be estimated reliably by reference to the percentage of completion of the contract on the reporting date under input method. Percentage of completion is determined as a proportion of costs incurred-to-date to the total estimated contract costs. In respect of process technology and design and engineering contracts percentage of completion is

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

measured with reference to the milestones specified in the contract, which in the view of the management reflects the work performed and to the extent it is reasonably certain of recovery.

Contract costs include costs that relate directly to the specific contract and costs that are attributable to the contract activity and allocable to the contract. Costs that cannot be attributed to contract activity are expensed when incurred.

When the final outcome of a contract cannot be reliably estimated, contract revenue is recognised only to the extent of costs incurred that are expected to be recoverable. The provision for expected loss is recognised immediately when it is probable that the total estimated contract costs will exceed total contract revenue.

Variations, claims and incentives are recognised as a part of contract revenue to the extent it is probable that they will result in revenue and are capable of being reliably measured.

Determination of revenues under the percentage of completion method necessarily involves making estimates by the Group, some of which are of a technical nature, concerning, where relevant, the percentage of completion, costs to completion, the expected revenues from the project / activity and the foreseeable losses to completion.

Execution of contracts generally extends beyond accounting periods, the revision in costs and revenues estimated during the course of the contract are reflected in the accounting period in which the facts requiring the revision become known.

- **Sale of goods and rendering of services**

Revenue from sale of goods in the course of ordinary activities is recognised when control of goods is transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection.

Revenue from services is recognised as and when the related services are performed.

### 2.16 Other income

- **Interest income**

Interest income from debt instruments is recognised using effective interest rate method (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

- **Dividends**

Dividends are recognised in the statement of profit and loss only when the right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and when the amount can be measured reliably.

- **Export benefits**

Export benefits in the form of Duty Draw Back / Merchandise Exports Incentive Scheme (MEIS) / Service Exports Incentive Scheme (SEIS) claims are recognised in the statement of profit and loss on receipts basis.

### 2.17 Foreign currency transactions and balances

The Group's consolidated financial statements are presented in Indian Rupees, which is also the functional currency of the holding Company. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

(i) **Transaction and balances**

Transactions in foreign currency are recorded at exchange rates prevailing at the date of the transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting period are translated at the closing exchange rates and the resultant exchange differences are recognised in the statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

### (ii) Group companies

On consolidation, the assets and liabilities of the subsidiaries are translated into Indian Rupees at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at average exchange rates. Equity items, other than retained earnings, are translated at the spot rate in effect on each related transaction date (specific identification). Retained earnings are translated at the weighted average exchange rate for the relevant year.

The exchange differences arising on translation for consolidation are recognised in other comprehensive income.

### 2.18 Employee benefits

- **Short-term employee benefit**

Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised in the period in which the employee renders the related service.

- **Post-employment benefits**

#### **Defined contribution plans**

Contributions to the provident fund pension scheme, employee state insurance scheme and superannuation fund, which are defined contribution schemes, are recognised as an employee benefit expense in the statement of profit and loss in the period in which the contribution is due.

#### **Defined benefit plans**

The employees' gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the reporting date, having maturity periods approximating to the terms of related obligations.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding effect to retained earnings through other comprehensive income (OCI) in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises gains/ losses on settlement of a defined plan when the settlement occurs.

#### **Other long-term employee benefits**

The liabilities for earned leave are not expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method as determined by actuarial valuation. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### **Termination benefits**

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are stated at their present fair value.

### 2.19 Share-based payments

The grant fair value of equity settled share based payment awards granted to employees is recognised as employee benefit expense with corresponding increase in equity. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are required to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the service and non-vesting conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit and loss, with a corresponding adjustment to equity.

### 2.20 Leases

Lease is a contract that provides to the customer (lessee) the right to use an asset for a period of time in exchange for consideration.

#### a. Company as a Lessee

A lessee is required to recognise assets and liabilities for all leases and to recognise depreciation of leased assets separately from interest on lease liabilities in the statement of profit and loss. The Company uses the practical expedient to apply the requirements of Ind AS 116 - Leases to a portfolio of leases with similar characteristics if the effect on the financial statements of applying to the portfolio does not differ materially from applying the requirement to individual leases within that portfolio.

However, according to Ind AS 116, the company has elected not to recognise right-of-use assets and lease liabilities for leases with a lease term of 12 months or less (short-term leases) and for leases for which the underlying asset is of low value. The lease payments associated with these leases are generally recognized as an expense on a straight-line basis over the lease term or another systematic basis if appropriate.

#### a.1 Right to use asset

Right-of-use assets, which are included under property, plant and equipment, are measured at cost less any accumulated depreciation and, if necessary, any accumulated impairment. The cost of a right-of-use asset comprises the present value of the outstanding lease payments plus any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs and an estimate of costs to be incurred in dismantling or removing the underlying asset. In this context, the Company also applies the practical expedient that the payments for non-lease components are generally recognized as lease payments. If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the right-of-use asset is depreciated to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated to the end of the lease term.

#### a.2 Lease liability

Lease liabilities, which are assigned to financing liabilities, are measured initially at the present value of the lease payments. Subsequent measurement of a lease liability includes the increase of the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

#### b. Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Company is a lessor under an operating lease, the asset is capitalised within property, plant and equipment and depreciated over its useful economic life. Payments received under operating leases are recognised in the Statement of profit and Loss on a straight-line basis over the term of the lease.

#### Critical accounting estimates and judgements

Critical judgements required in the application of Ind AS 116 may include, inter-alia, the following:

- Identifying whether a contract (or part of a contract) includes a lease;
- Determining whether it is reasonably certain that an extension or termination option will be exercised;
- Classification of lease agreements (when the entity is a lessor);



## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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- Determination of whether variable payments are in-substance fixed;
- Establishing whether there are multiple leases in an arrangement;
- Determining the stand-alone selling prices of lease and non-lease components.

Key sources of uncertainty in estimation in the application of Ind AS 116 may include, inter-alia, the following:

- Estimation of the lease term;
- Determination of the appropriate rate to discount lease payments;
- Assessment of whether a right-of-use asset is impaired.

### 2.21 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

### 2.22 Income tax

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

- **Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date in the country where the Group operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set off current tax assets against current tax liabilities and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

- **Deferred tax**

Deferred tax is provided using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.



## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

In situations where the Group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the Group's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Group restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

### 2.23 Provisions and contingencies

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in the statement of profit and loss.

Contingent liability is disclosed in case of

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- present obligation arising from past events, when no reliable estimate is possible
- a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent asset is not recognised in the financial statements. A contingent asset is disclosed, where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

### 2.24 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

While calculating diluted EPS, below adjustments are carried out to basic EPS to consider :

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### 2.25 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 2.26 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial assets

##### Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss);
- those measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of cash flows.

For assets measured at fair value, gains and losses are recorded in the statement of profit and loss or OCI. For investments in debt instruments, this will depend on the business model in which investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for equity investment at fair value through OCI.

The Group classifies debt investments when and only when its business model for managing those assets changes.

##### Measurement

All financial assets are initially measured at fair value except trade receivables, as the trade receivables does not contain significant financing component, they are initially measured at transaction price. In case of financial assets not recorded at fair value through profit or loss, the transaction cost is attributed to the acquisition value of the financial asset. Transaction cost of financial assets carried at fair value through profit or loss is expensed in the statement of profit and loss.

#### Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

##### Debt instruments at amortised cost

A debt instrument is measured at the amortised cost if both the following conditions are satisfied:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- The contractual terms of the asset give rise on specified dates to cash flows that are solely the payments of principal and interest (SPPI) on the principal amount outstanding.

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of hedging relationship is recognised in the statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using effective interest rate (EIR) method.

### **Debt instruments at fair value through other comprehensive income (FVTOCI)**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVTOCI. The movements in the carrying amount are recognised through OCI, except for the recognition of impairment gains and losses, interest revenue and foreign exchange gain or losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss and recognised in other gains / losses. Interest income from these financial assets is included in other income using EIR method.

### **Debt instruments at fair value through profit or loss (FVTPL)**

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on debt instrument that is subsequently measured at FVTPL and is not a part of hedging relationship is recognised in the statement of profit and loss within other gains / losses in the period in which it arises. Interest income from these financial assets is included in other income.

### **Equity investments**

All equity investments falling within the definition of "Financial Instruments" as defined 'Ind AS 109 - Financial instruments' are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to recognise subsequent changes in the fair value in OCI. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no re-classification of the amounts from OCI to the statement of profit and loss, even on sale of equity instrument.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

### **Derecognition**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Group neither transfers nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

### **Impairment of financial assets**

The Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 40 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by 'Ind AS 109 - Financial instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

### **Non-derivative financial liabilities**

#### **Recognition**

The Group initially recognises borrowings, trade payables and related financial liabilities on the date on which they are originated.

All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

#### **Measurement**

Non-derivative financial liabilities are initially recognised at fair value, net of transaction costs incurred. Subsequent to initial recognition, these liabilities are measured at amortised cost using EIR method.

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### 2.27 Cash dividend to equity holders

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the companies act, 2013, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### 2.28 Government grant

Government grants are recognised at their fair value when there is a reasonable assurance that the grant will be received and Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with costs that they are intended to compensate and presented within other income.

Government grants relating to purchase of property, plant and equipment are initially recognised as deferred income at fair value and subsequently recognised in the statement of profit and loss on a systematic basis over the useful life of the asset.

### 2.29 Standards issued but not effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

### 3 Property, plant and equipment, intangible assets, investment property, capital work-in-progress and intangible assets under development as on 31<sup>st</sup> March 2024

	Property, plant and equipment												Intangible Assets			Investment property		Grand total			
	Land		Buildings		Plant and machinery		Computers and office equipment		Vehicles		Furniture and fixtures		Total	Goodwill	Land (Freehold)						
	Leasehold	Right-of-Use	Owned	Right-of-Use	Owned	Right-of-Use	Owned	Right-of-Use	Owned	Right-of-Use	Owned	Right-of-Use					Technical Knowhow		Software		
<b>Gross Block</b>																					
As at 1 April 2023	11,000	243,954	370,517	1,550,067	154,826	2,053,628	45,273	335,521	149,670	50,783	57,872	281,286	57,100	5,361,497	93,753	152,667	246,420	822,712	136,928	6,567,557	
Additions / adjustments	-	-	-	74,394	1,236,730	436,240	329,698	25,414	20,440	1,822	81,242	12,275	0,864	2,219,119	-	19,004	19,004	-	-	2,238,123	
Deletions	-	-	-	-	-	6,451	-	4,259	11,761	18,779	3,350	-	-	44,600	-	-	-	-	-	44,600	
Classified as Asset held for sale <sup>3</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	136,928	136,928	
<b>As at 31 March 2024</b>	<b>11,000</b>	<b>243,954</b>	<b>370,517</b>	<b>1,624,461</b>	<b>1,391,556</b>	<b>2,483,417</b>	<b>374,971</b>	<b>356,676</b>	<b>158,349</b>	<b>33,826</b>	<b>135,764</b>	<b>293,561</b>	<b>57,964</b>	<b>7,536,016</b>	<b>93,753</b>	<b>171,671</b>	<b>265,424</b>	<b>822,712</b>	<b>-</b>	<b>8,624,152</b>	
<b>Accumulated depreciation and amortisation</b>																					
As at 1 April 2023	1,248	182,483	-	603,335	61,750	1,476,465	5,564	305,416	69,469	38,315	8,732	242,572	0,156	2,995,505	93,386	113,864	207,250	196,562	-	3,399,317	
Charge for the year	0,123	21,487	-	53,791	105,807	120,388	12,893	15,421	49,278	3,909	25,818	8,055	11,422	428,392	0,367	11,798	12,165	-	-	440,557	
Deletions / Adjustments <sup>4</sup>	-	-	-	-	-	4,271	-	4,259	11,761	16,820	1,271	-	-	38,382	-	-	-	-	-	38,382	
Adjustments <sup>4</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	78,643	-	-	-	-	-	78,643	
<b>As at 31 March 2024</b>	<b>1,371</b>	<b>203,970</b>	<b>-</b>	<b>657,126</b>	<b>246,200</b>	<b>1,592,582</b>	<b>18,457</b>	<b>316,578</b>	<b>106,986</b>	<b>25,404</b>	<b>33,279</b>	<b>250,627</b>	<b>11,578</b>	<b>3,464,158</b>	<b>93,753</b>	<b>125,662</b>	<b>219,415</b>	<b>196,562</b>	<b>-</b>	<b>3,880,135</b>	
<b>Net Carrying value</b>																					
As at 31 March 2024	9,629	39,984	370,517	967,335	1,145,356	890,835	356,514	40,098	51,363	8,422	102,485	42,934	46,386	4,071,858	-	46,009	46,009	626,150	-	4,744,017	
As at 31 March 2023	9,752	61,471	370,517	946,732	93,076	577,163	39,709	30,105	80,201	12,468	49,140	38,714	56,944	2,365,992	0,367	38,803	39,170	626,150	136,928	3,168,240	

Note:

- The land has been taken on a long term lease i.e. for 99 years.
- Refer Note 26 for contractual commitments for the acquisition of property plant and equipment.
- Before reporting date, the management confirm their intention to sale land located at Nasrapur, Pune. Therefore the said investment property is classified as asset held for sale. It is measured at lower of carrying amount and fair value less cost to sell.
- Adjustment represents depreciation capitalised in Plant and Machinery (Owned).
- The title deeds of immovable properties are held in the name of the Group.

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

### 3 Property, plant and equipment, intangible assets, investment property, capital work-in-progress and intangible assets under development as on 31<sup>st</sup> March 2023

	Property, plant and equipment											Intangible Assets		Investment property		Grand total				
	Land	Buildings		Plant and machinery		Computers and office equipment		Vehicles		Furniture and fixtures		Technical knowhow	Software	Goodwill	Land (Freehold)					
		Leasehold Right-of-Use note 1	Owned	Right-of-Use	Owned	Right-of-Use	Owned	Right-of-Use	Owned	Right-of-Use	Owned						Right-of-Use	Total		
<b>Gross Block</b>																				
As at 1 April 2022	11,000	243,954	370,517	1,532,119	25,271	1,869,302	5,450	326,742	112,596	54,848	-	264,976	-	4,816,775	93,753	117,268	211,021	822,712	136,928	5,987,436
Additions / adjustments	-	-	-	17,948	129,555	188,426	39,823	18,321	49,990	1,068	57,872	18,686	57,100	578,789	-	35,399	35,399	-	-	614,188
Deletions	-	-	-	-	-	4,100	-	9,542	12,916	5,133	-	2,376	-	34,067	-	-	-	-	-	34,067
<b>As at 31 March 2023</b>	<b>11,000</b>	<b>243,954</b>	<b>370,517</b>	<b>1,550,067</b>	<b>154,826</b>	<b>2,053,628</b>	<b>45,273</b>	<b>335,521</b>	<b>149,670</b>	<b>50,783</b>	<b>57,872</b>	<b>281,286</b>	<b>57,100</b>	<b>5,361,497</b>	<b>93,753</b>	<b>152,667</b>	<b>246,420</b>	<b>822,712</b>	<b>136,928</b>	<b>6,567,557</b>
<b>Accumulated depreciation and amortisation</b>																				
As at 1 April 2022	1,126	182,483	-	554,451	6,639	1,374,771	3,636	304,205	32,242	35,923	-	235,971	-	2,731,447	92,845	106,002	198,847	196,5620	-	3,126,856
Charge for the year	0,122	-	-	48,884	55,111	103,620	1,928	10,752	50,143	5,724	8,732	8,896	0,156	294,068	0,541	7,862	8,403	-	-	302,471
Deletions / Adjustments	-	-	-	-	-	1,926	-	9,541	12,916	3,332	-	2,295	-	30,010	-	-	-	-	-	30,010
<b>As at 31 March 2023</b>	<b>1,248</b>	<b>182,483</b>	<b>-</b>	<b>603,335</b>	<b>61,750</b>	<b>1,476,465</b>	<b>5,564</b>	<b>305,416</b>	<b>69,469</b>	<b>38,315</b>	<b>8,732</b>	<b>242,572</b>	<b>0,156</b>	<b>2,995,505</b>	<b>93,386</b>	<b>113,864</b>	<b>207,250</b>	<b>196,562</b>	<b>-</b>	<b>3,399,317</b>
<b>Net Carrying value</b>																				
As at 31 March 2023	9,752	61,471	370,517	946,732	93,076	577,163	39,709	30,105	80,201	12,468	49,140	38,714	56,944	2,365,992	0,367	38,803	39,170	626,150	136,928	3,168,240
As at 31 March 2022	9,874	61,471	370,517	977,668	18,632	494,531	1,814	22,537	80,354	18,925	-	29,005	-	2,085,328	0,908	11,266	12,174	626,150	136,928	2,860,580

Note:

- The land has been taken on a long term lease i.e. for 99 years.
- Refer Note 26 for contractual commitments for the acquisition of property plant and equipment.
- The title deeds of immovable properties are held in the name of the Group.

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

### 3 Property, plant and equipment, intangible assets, investment property, capital work-in-progress and intangible assets under development as on

#### Details of capital work-in-progress and intangible under development

Particulars	31 March 2024		31 March 2023	
	Capital Work-in-Progress	Intangible Assets under development	Capital Work-in-Progress	Intangible Assets under development
Balance at start of the year	68.724	0.763	14.261	6.656
Add: Additions during the year	225.405	400.783	58.963	-
Less: Capitalised during the year	262.138	-	4.500	5.893
<b>Balance at the end of the year</b>	<b>31.991</b>	<b>401.546</b>	<b>68.724</b>	<b>0.763</b>

#### Capital work-in-progress (CWIP) and Intangible asset under development comprises of comprises of:

- i. Capital work-in-progress (CWIP) comprises of :
  - a. Building under construction INR 22.818 (31 March 2023 47.052)
  - b. Plant & Machinery not ready to use INR NIL (31 March 2023 INR 19.096)
  - c. Network Equipment INR 3.622 (31 March 2023 INR 2.577)
  - d. Furniture & Fixture under construction INR 5.551 (31 March 2023 : Nil)
- ii. Intangible asset under development comprises of :
  - a. 100 TPD Lactic Acid pilot plant for new technology under development at Jejuri location of INR 398.496 (31 March 2023: NIL) (Refer Note 2.9 for internally generated intangible assets)
  - b. software under development of INR 3.050 (31 March 2023:0.763)

Refer Note 37C for ageing

#### Investment property: Details of Fair Value

Particulars	Land
Fair value as at 31 March 2024	408.026

During Previous year, the Group had obtained independent valuation for its investment property from a government approved valuer who is a specialist in valuing these types of investment properties.

The valuation has been made with reference to the prevailing market rates and using the approved valuation method.

All resulting fair value estimates for investment property are considered as level 3.

During the Year, The Group has classified the investment property as held for sale.

#### Goodwill Impairment testing

Goodwill pertains to Praj HiPurity Systems Limited which is tested for impairment at the entity level ('CGU'). Value-in-use is determined based on discounted future cash flows. The key assumptions used for the calculations are as follows :

Particulars	31 March 2024	31 March 2023
Long-term growth rate	8%	8%
Discounting rate	13%	13%

The estimated recoverable amount of the CGU exceeded its carrying amount. Reasonable sensitivities in key assumptions are unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating units.

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

	31 March 2024	31 March 2023
<b>4 Investments</b>		
<b>Non-current investments</b>		
<b>(i) Investments at amortised cost</b>		
<b>Quoted investments in non-convertible debentures / bonds:</b>		
10 Bonds issued by HDFC Bank Limited Unsecured Non-Convertible Bonds Basel III Tier 2, Coupon 7.84% (31 March 2023 : 10 bonds)	102.267	100.084
10 Bonds issued by HDB Financial Services Limited Unsecured Non-Convertible Bonds Coupon 7.99% (31 March 2023 : 2,500 bonds)	250.000	250.000
100 Bonds issued by HDB Financial Services Limited Unsecured Non-Convertible Bonds (Coupon 6% (31 March 2023 : Nil))	98.425	-
<b>Total</b>	<b>450.692</b>	<b>350.084</b>
<b>(ii) Investments at fair value through other comprehensive income (FVOCI)</b>		
<b>Quoted investments in non-convertible debentures / bonds:</b>		
250 Bonds issued by SBI Bank Unsecured Non-Convertible Perpetual Bonds Series IV, Coupon 7.73% (31 March 2023 : 250 bonds)	247.292	247.075
50 Bonds issued by State Bank of India Unsecured Non-Convertible Perpetual Bonds Series II, Coupon 7.73% (31 March 2023 : 50 bonds)	49.458	49.472
90 Bonds issued by State Bank of India Unsecured Non-Convertible Perpetual Bonds Series I, Coupon 7.74% (31 March 2023 : 90 bonds)	89.140	89.125
30 Bonds issued by State Bank of India Unsecured Non-Convertible Perpetual Bonds Series I, Coupon 7.74% (31 March 2023 : 30 bonds)	29.713	29.708
50 Bonds issued by State Bank of India Unsecured Non-Convertible Perpetual Bonds Series I, Coupon 7.74% (31 March 2023 : 50 bonds)	49.522	49.514
3 Bonds issued by State Bank of India Unsecured Non-Convertible Perpetual Bonds (31 March 2023 : 3 bonds)	29.573	29.556
	<b>494.698</b>	<b>494.450</b>
<b>Total non-current</b>	<b>945.390</b>	<b>844.534</b>
<b>Current investments</b>		
<b>(i) Investments at amortised cost</b>		
<b>Quoted investments in non-convertible debentures / bonds:</b>		
2,500,000 bonds issued by GOI Unsecured Non-Convertible Perpetual Bonds TBILL Zero Coupon Bonds (31 March 2023: 2,500,000 Bonds)	246.472	235.734
NIL bonds issued by GOI Unsecured Non-Convertible Perpetual Bonds GOI Loan 2023 Coupon 7.16% (31 March 2023: 500,000 bonds)	-	50.067
<b>Total</b>	<b>246.472</b>	<b>285.801</b>



## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

	31 March 2024	31 March 2023
<b>(ii) Investments at fair value through profit and loss (FVTPL)</b>		
<b>Quoted mutual funds</b>		
SBI MAGNUM ULTRA SHORT DURATION FUND DIRECT GROWTH - NIL Units ( 31 March 2023 : 30,705.283 Units )	-	158.391
UTI MONEY MARKET FUND - DIRECT GROWTH PLAN - NIL Units ( 31 March 2023 : 14,794.600 Units )	-	56.932
IDFC FLOATING RATE FUND DIRECT PLAN-GROWTH - 9,999,500.025 Units ( 31 March 2023 : 9,999,500.025 Units )	<b>117.984</b>	109.834
UTI FLOATER FUND-DIRECT GROWTH PLAN -GROWTH - 81,739.196 Units ( March 2023 : 81,739.196 Units )	<b>116.511</b>	108.266
ADITYA BIRLA SUN LIFE FLOATING RATE FUND-GROWTH-DIRECT PLAN - 710,730.268 Units ( March 2023 : 710,730.268 Units )	<b>226.966</b>	210.229
ICICI PRUDENTIAL SAVING FUND - GROWTH 1525 - 116,649.927 Units ( March 2023 : 116,649.927 Units )	<b>57.569</b>	53.366
HSBC ULTRA SHORT DURATION FUND DIRECT GROWTH UCC - 4,393.345 Units ( March 2023 : 4,393.345 Units )	<b>5.494</b>	5.112
UTI ARBITRAGE FUND -DIRECT GROWTH PLAN- 1,707,133.447 Units (31 March 2023 : 1,707,133.447 Units)	<b>57.924</b>	53.540
SBI ARBITRAGE OPPORTUNITIES FUND - DIRECT PLAN -GROWTH - 1,559,108.773 Units (March 2023 : NIL Units )	<b>51.036</b>	-
NIPPON INDIA ARBITRAGE FUND -DIRECT GROWTH PLAN GROWTH OPTION - 1,921,089.240 Units (March 2023 : NIL Units)	<b>50.210</b>	-
KOTAK MONEY MARKET FUND-DIRECT PLAN-GROWTH- NIL Units (31 March 2023 : 41,591.271 Units)	-	159.226
TATA MONEY MARKET FUND GROWTH PLAN-GROWTH - NIL Units (31 March 2023 : 13,219.932 Units)	-	53.515
AXIS-CPSE PULS SDL 2025 70:30 DEBT INDEX FUND DIRECT GROWTH (CS-DG) - NIL Units (31 March 2023 : 4,999,750.012 Units)	-	51.828
UTI MONEY MARKET FUND-DIRECT PLAN-GROWTH- NIL Units (31 March 2023 : 78,573.903 Units)	-	207.032
TATA MONEY MARKET FUND GROWTH PLAN-GROWTH- NIL Units (31 March 2023 : 26,1717.747 Units)	-	105.945
ICICI PRUDENTIAL MONEY MARKET FUND DIRECT GROWTH-DIRECT PLAN- NIL Units (31 March 2023 : 326,168.043 Units)	-	105.779
AXIS MONEY MARKET FUND DIRECT GROWTH (MM-DG)- NIL Units (31 March 2023 : 169,198.493 Units)	-	206.018
ADITYA BIRLA SUN LIFE MONEY MANAGER FUND - GROWTH-DIRECT PLAN - NIL Units (31 March 2023 : 434,390.567 Units)	-	137.352
ADITYA BIRLA SUN LIFE CRISIL AAA JUN 2023 INDEX FUND DIRECT GROWTH- NIL Units (31 March 2023 : 4,981,567.291 Units)	-	52.463
NIPPON MONEY MARKET FUND-DIRECT GROWTH OPTION(LQAGG) - 13,091.087 Units (31 March 2023 : 44,762.801 Units)	<b>50.025</b>	158.797
FRANKLIN INDIA SAVING FUND RETAIL OPTION-DIRECT PLAN-GROWTH- 6,700,425.676 Units (31 March 2023 : 2,290,400.686 Units)	<b>315.618</b>	100.225
FRANKLIN INDIA SAVING FUND SUPER INSTITUTIONAL PLAN-DIRECT PLAN- GROWTH- 31,266.548 Units (31 March 2023 : 31,266.548 Units)	<b>113.400</b>	105.736
KOTAK SAVINGS FUND-DIRECT PLAN-GROWTH- NIL Units (31 March 2023 : 4,169,052.421 Units )	-	158.708

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

	31 March 2024	31 March 2023
HDFC ULTRA SHORT TERM FUND-DIRECT GROWTH- 3,558,591.590 Units (31 March 2023: 19,853,664.549 Units)	<b>50.136</b>	260.200
NIPPON ULTRA SHORT DURATION FUND-DIRECT GROWTH PLAN(CPAGG)- NIL Units (31 March 2023 : 28,375.532 Units)	-	106.188
KOTAK SAVING FUND-GROWTH(REGULAR PLAN(ERSTWILY KOTAK TREASURYADV) NIL Units (31 March 2023 : 1,385,632.493 Units )	-	50.858
ICICI PRUDENTIAL MONEY MARKET FUND - GROWTH-P1571 - 155,690.493 Units ( 31 March 2023 : 155,690.493 Units)	<b>53.792</b>	49.998
MIRAE ASSETS ULTRA SHORT DURATION FUND DIR-GROWTH- NIL Units (31 March 2023 : 45576.477 Units )	-	50.891
HSBC ULTRA SHORT DURATION FUND DIRECT GROWTH UCC- 45,036.922 Units (31 March 2023 : 45,036.922 Units	<b>56.322</b>	52.407
IDFC FLOATING RATE FUND DIRECT PLAN-GROWTH - NIL Units (31 March 2023 : 11,808,127.440 Units )	-	154.474
JM SHORT DURATION FUND(REGULAR) GROWTH OPRION (638) - NIL Units (31 March 2023 : 4,999,750.012 Units )	-	51.461
INVESCO INDIA ARBITRAGE FUND-DIRECT PLAN - 6,596,354.934 Units (31 March 2023 : 1,775,195.729 Units)	<b>206.935</b>	51.402
NIPPON INDIA ULTRA SHORT DURATION FUND-DIRECT GROWTH PLAN(CPAGG) 12,435.826 Units (31 March 2023 : 13,685.051 Units )	<b>50.143</b>	51.213
BARODA BNP PARIBAS ULTRA SHORT DURATION FUND-DIRECT PLAN GROWTH Growth- NIL Units (31 March 2023 : 38,682.639 Units )	-	51.212
HSBC ULTRA SHORT DURATION FUND -DIRECT GROWTH- 44,996.263 Units (31 March 2023 : 44,996.263 Units )	<b>56.271</b>	52.360
DSP FMP SERIES 269 -160 DAYS-DIR-GROWTH - NIL Units (31 March 2023 : 4,999,750.012 Units )	-	51.018
HSBC ULTRA SHORT DURATION FUND-REGULAR GROWTH- NIL Units (31 March 2023 : 88,125.749 Units )	-	101.708
NIPPON INDIA FLOATING RATE FUND-GROWTH PLAN OPTION(FRGPG)- 2,667,301.523 Units (31 March 2023 : 2,667,301.523 Units )	<b>108.688</b>	100.837
SBI FLOATING RATE DEBT FUND DIRECT PLAN GROWTH 9,015,706.168 Units (31 March 2023 : 9,015,706.168 Units	<b>109.442</b>	100.941
HDFC FLOATING RATE DEBT FUND REGULAR PLAN GROWTH 4,786,864.830 Units (31 March 2023 : 2,421,966.402 Units)	<b>215.810</b>	101.122
ADITYA BIRLA SUN LIFE INTERVAL INCOME FUND-QRTLTY PLAN-SERIES1 GROWTH-DIR PLAN - NIL Units (31 March 2023 : 3,448,388.841 Units )	-	100.753
INVESCO INDIA MONEY MARKET FUND-DIRECT PLAN GROWTH(CO-D1) - 56,471.741 Units (31 March 2023 : 56,471.741 Units )	<b>162.074</b>	150.734
NIPPON INDIA QUARTERLY INTERVAL FUND-SERIES-III-DIRECT GROWTH FUND OPTION (9BAGG) -NIL Units (31 March 2023 : 5,471,473.063 Units )	-	100.538
TATA MONEY MARKET REGULAR PLAN-GROWTH - NIL Units (31 March 2023 : 12,510.815 Units )	-	49.998
ADITYA BIRLA SUN LIFE ARBITRAGE FUND-GROWTH-DIRECT PLAN - 3,897,613.536 Units ( March 2023 : NIL Units )	<b>101.459</b>	-
DSP ARBITRAGE FUND-DIRECT GROWTH - 3,608,885.529 Units ( March 2023 : NIL Units )	<b>51.448</b>	-
DSP LIQUIDITY FUND-DIRECT PLAN-GROWTH - 14,605.219 Units ( March 2023 : NIL Units )	<b>50.408</b>	-

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

	31 March 2024	31 March 2023
HDFC MONEY MARKET FUND-DIRECT PLAN-GROWTH OPTION - 30,110.680 Units ( March 2023 : NIL Units )	<b>159.588</b>	-
HDFC ARBITRAGE FUND-WHOLSALE PLAN-FROWTH-DIRECT PLAN - 5,596,009.332 Units ( March 2023 : NIL Units )	<b>102.776</b>	-
ICICI PRUDENTIAL EQUITY ARBITRAGE FUND DIRECT PLAN-GROWTH (NON DEMAT) - 1,533,816.206 Units (March 2023 : NIL Units )	<b>51.359</b>	-
INVESCO INDIA ARBITRAGE FUND REGULAR GROWTH (AF-GP) - 1,723,136.683 Units ( March 2023 : NIL Units )	<b>50.407</b>	-
KOTAK EQUITY ARBITRAGE FUND-GROWTH (REGULAR PLAN) - 2,939,844.835 Units ( March 2023 : NIL Units )	<b>100.850</b>	-
KOTAK FLEXI DEBT REGULAR PLAN WEEKLY-IDCW - 2,759,183.027 Units ( March 2023 : NIL Units )	<b>100.396</b>	-
NIPPON INDIA LIQUID FUND DIRECT PLAN -GROWTH PLAN -GROWTH OPTION (LFAGG) - 58.303 Units ( March 2023 : NIL Units )	<b>0.345</b>	-
AXIS ARBITRAGE FUND-REGULAR GROWTH(EA-GP)(NON DEMAT) - 2,914,252.580 Units ( March 2023 : NIL Units )	<b>50.003</b>	-
BANDHAN ARBITRAGE FUND-GROWTH-(REGULAR PLAN) (ERSTWHILE IDFC ARBITRAGE FUND GROWTH-REGULAR PLAN ) - 1,679,442,267 Units ( March 2023 : NIL Units )	<b>50.001</b>	-
HSBC ARBITRAGE FUND-DIRECT GROWTH (FORMERLY KNOWN AS L&T ARBITRAGE OPPORTUNITIES FUND-DIRECT GROWTH) - 5,548,126.873 Units ( March 2023 : NIL Units )	<b>102.842</b>	-
MIRAE ASSETS ARBITRAGE FUND-REGULAR PLAN GROWTH - 4,209,252.409 Units ( March 2023 : NIL Units )	<b>50.410</b>	-
MIRAE ASSETS ARBITRAGE FUND-DIRECT GROWTH - 8,146,599.194 Units ( March 2023 : NIL Units )	<b>100.219</b>	-
<b>Total</b>	<b>3354.862</b>	4198.606
<b>(iii) Investments at amortised cost</b>		
<b>Unquoted investments:</b>		
Deposit with Bajaj Finance Limited	<b>420.000</b>	100.000
<b>Total Current</b>	<b>4021.334</b>	4584.407
Aggregate book value of quoted investments	<b>4546.724</b>	5328.941
Aggregate market value of quoted investments	<b>4538.940</b>	5546.785
Aggregate book value of unquoted investments	<b>420.000</b>	100.000

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

	31 March 2024	31 March 2023
<b>5 Other financial assets</b>		
<b>Non-current</b>		
<b>Unsecured, considered good</b>		
Security deposits	270.600	94.492
Deposits with banks with a maturity of more than 12 months	150.836	28.875
	<b>421.436</b>	123.367
<b>Current</b>		
<b>Unsecured, considered good</b>		
Foreign exchange forward contracts	20.417	-
Interest accrued on fixed deposits and bonds	38.743	44.882
Security deposits	1.645	18.470
Other Receivable*	92.223	123.756
	<b>153.028</b>	187.108
* mainly includes insurance claim, Earnest money deposit and turnover discount receivable		
<b>Total other financial assets</b>	<b>574.464</b>	310.475
<b>6 Other assets</b>		
<b>Non-current</b>		
Capital advances	75.594	37.413
Balances with central excise, customs and Value added tax authorities	2.331	10.087
Prepaid expenses	1.875	2.261
	<b>79.800</b>	49.761
<b>Current</b>		
Contracts in progress (Refer note 27)	3975.078	3087.219
Advances to suppliers	340.892	631.904
Balances with central excise, customs and Value added tax authorities	498.102	270.543
Prepaid expenses	231.257	212.498
Other advances	102.701	59.301
	<b>5148.030</b>	4261.465
<b>Total Other assets</b>	<b>5227.830</b>	4311.226
<b>7 Inventories (valued at lower of cost and net realisable value)</b>		
Raw materials (Includes Goods in transit of INR 20.285 (31 March 2023: Nil))	1838.512	2466.767
Work in progress	338.416	844.726
Finished goods	31.595	24.748
	<b>2208.523</b>	3336.241
Note: Write-down of inventories to net realizable value amounted to INR 37.727 (31 March 2023: INR 16.632). These were recognized as an expense during the year and included in 'Cost of materials consumed'.		

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

	31 March 2024	31 March 2023
<b>8 Trade receivables</b>		
<b>Current</b>		
<b>- From others</b>		
Unsecured, considered good	<b>8359.836</b>	7948.334
Unsecured, considered doubtful	<b>720.266</b>	564.666
	<b>9080.102</b>	8513.000
Less: Impairment allowance (allowance for bad and doubtful debts)	<b>720.266</b>	564.666
	<b>8359.836</b>	7948.334
i. Refer Note 37 A for ageing schedule		
ii. No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member. Trade receivables are non-interest bearing and generally on credit terms of 3 to 6 months		
<b>9 Cash and cash equivalents</b>		
Balances with banks		
On current accounts	<b>1190.577</b>	488.904
Deposits with original maturity of less than 3 months	<b>491.015</b>	494.951
Cash on hand	<b>2.566</b>	1.959
	<b>1684.158</b>	985.814
<b>10 Other bank balances</b>		
Unclaimed dividend account	<b>11.159</b>	11.004
Deposits with maturity for more than 3 months but less than 12 months	<b>431.741</b>	451.377
Note: Includes deposits under lien INR 291.741 (31 March 2023 INR 255.741)		
	<b>442.900</b>	462.381

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

	31 March 2024		31 March 2023	
<b>11 Equity share capital</b>				
<b>Authorised shares</b>				
450,000,000 (31 March 2023: 450,000,000) equity shares of INR 2 each		<b>900.000</b>		900.000
<b>Issued, subscribed and fully paid-up shares</b>				
183,813,088 (31 March 2023: 183,713,088) equity shares of INR 2 each		<b>367.626</b>		367.426
<b>Total</b>		<b>367.626</b>		367.426
<b>a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:</b>				
	<b>No.</b>	<b>Amount</b>	<b>No.</b>	<b>Amount</b>
At the beginning of the period	<b>183,713,088</b>	<b>367.426</b>	183,673,088	367.346
Add: Allotted during the period pursuant to exercise of employees stock options (Refer note 32)	<b>100,000</b>	<b>0.200</b>	40,000	0.080
Outstanding at the end of the period	<b>183,813,088</b>	<b>367.626</b>	183,713,088	367.426
<b>b. Terms/ Rights attached to equity shares:</b>				
The Company has only one class of equity shares having a par value of INR 2 per share. Each holder of the equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.				
The Board of Directors proposed a final dividend of INR 6.00 per equity share for the financial year ended 31 March 2024. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held and if approved, will be recognised as distributions to equity shareholders during the year ended 31 March 2025. This event is considered as non-adjusting event.				
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company after distributing all preferential amounts.				
<b>c. Shares held by holding/ultimate holding company and/or their subsidiaries/associates:</b>				
The company does not have any holding or ultimate holding company.				
<b>d. Details of shareholders holding more than 5% shares in the company:</b>				
	31 March 2024		31 March 2023	
Equity shares of INR. 2 each fully paid	<b>No.</b>	<b>% of holding</b>	<b>No.</b>	<b>% of holding</b>
Dr. Pramod Chaudhari (Promoter)	<b>38,700,000</b>	<b>21.05%</b>	38,700,000	21.07%
Parimal Chaudhari (Promoter)	<b>14,400,000</b>	<b>7.83%</b>	14,400,000	7.84%
<b>e. Details of shareholders holding of Promoters:</b>				
	31 March 2024		31 March 2023	
Equity shares of INR 2 each fully paid	<b>No.</b>	<b>% of holding</b>	<b>No.</b>	<b>% of holding</b>
Dr. Pramod Chaudhari	<b>38,700,000</b>	<b>21.05%</b>	38,700,000	21.07%
Parimal Chaudhari	<b>14,400,000</b>	<b>7.83%</b>	14,400,000	7.84%
Moriyaset Trust	<b>7,200,000</b>	<b>3.92%</b>	7,200,000	3.92%
<b>f. Shares reserved for issue under options:</b>				
Shares reserved for issue under the Employee Stock Option Plan (ESOP) please refer note 32.				
<b>g. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:</b>				
	31 March 2024		31 March 2023	
Number of bonus shares issued, shares issued for consideration other than cash and shares bought back	-		-	

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

	31 March 2024	31 March 2023
<b>12 Other Equity</b>		
<b>Capital Reserve</b>	<b>0.033</b>	0.033
<b>Amalgamation Reserve</b>	<b>3.063</b>	3.063
<b>Capital Redemption Reserve*</b>	<b>14.627</b>	14.627
<b>Securities Premium</b>		
Balance as at the beginning of the year	<b>1040.149</b>	1025.997
Add : Employee stock options exercised	<b>8.800</b>	3.520
Add : Transfer from Share option outstanding account on exercise of options	<b>26.569</b>	10.632
Balance at the end of the year	<b>1075.518</b>	1040.149
<b>Share option outstanding account**</b>		
Balance as at the beginning of the year	<b>26.573</b>	29.355
Add : Employee stock option expense	<b>(0.004)</b>	7.850
Less: Employee stock options expired and transferred to surplus in statement of profit and loss	-	-
Less : Transfer to Securities Premium on exercise of options	<b>26.569</b>	10.632
Balance at the end of the year	-	26.573
<b>Special Economic Zone Re-investment Reserve***</b>		
Balance as at the beginning of the year	<b>163.000</b>	322.500
Less : Transfer to Surplus in the Statement of Profit and Loss on completion of required period	<b>163.000</b>	159.500
Balance at the end of the year	-	163.000
<b>General Reserve</b>		
Balance as at the beginning of the year	<b>958.500</b>	958.500
Add : amounts transferred from surplus balance in statement of profit and loss	-	-
Balance at the end of the year	<b>958.500</b>	958.500
<b>Exchange differences on translation of foreign operations</b>		
Balance at the beginning of the year	<b>19.155</b>	15.543
Add : due to transactions during the year	<b>(2.720)</b>	3.612
Balance at the end of the year	<b>16.435</b>	19.155
<b>Debt Instrument through other comprehensive Income</b>		
Balance as at the beginning of the year	<b>(3.937)</b>	-
Add : Fair value movement	<b>0.186</b>	(3.937)
Balance at the end of the year	<b>(3.751)</b>	(3.937)

\*Capital Redemption Reserve - The reserve is created on account of buy-back of equity shares by the Company in earlier years.

\*\* Share option outstanding account - The reserve is created on account of Employee stock options.

\*\*\*Special Economic Zone Re-investment Reserve - The reserve is created as per the provisions of Income Tax Act, 1961.

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

	31 March 2024	31 March 2023
<b>Retained Earnings</b>		
Balance as at the beginning of the year	<b>8191.395</b>	6420.220
Profit as per statement of profit and loss	<b>2833.560</b>	2397.941
Other comprehensive income - Re-measurement of defined benefit plans	<b>(47.427)</b>	(16.006)
Add : Transfer from Special Economic Zone Re-investment Reserve on completion of required period	<b>163.000</b>	159.500
Add: Adjustment due to change in NCI	<b>0.043</b>	-
Less: Appropriations		
Interim/Final equity dividend	<b>827.923</b>	770.260
Balance at the end of the year	<b>10312.648</b>	8191.395
<b>Total Other Equity</b>	<b>12377.073</b>	10412.558
<b>13 Provisions</b>		
<b>Non-current</b>		
<b>Provision for Employee Benefits</b>		
Compensated absences	<b>151.837</b>	122.556
Gratuity (Refer Note 31b)	<b>29.078</b>	9.034
	<b>180.915</b>	131.590
<b>Current</b>		
<b>Provision for Employee Benefits</b>		
Compensated absences	<b>80.951</b>	68.733
Gratuity (Refer Note 31b)	<b>89.802</b>	64.425
<b>Provision for anticipated losses</b>	<b>408.472</b>	306.645
	<b>579.225</b>	439.803
<b>Total provision</b>	<b>760.140</b>	571.393
<b>14 Trade Payables</b>		
<b>Current</b>		
<b>-To others</b>		
Total outstanding dues of micro enterprises and small enterprises (Refer note iii below)	<b>890.872</b>	1166.635
Total outstanding dues of creditors other than micro enterprises and small enterprises (MSMED)	<b>4076.696</b>	3883.522
	<b>4967.568</b>	5050.157

Notes:

i. Refer Note 37 B for ageing schedule

ii. Trade payables are non-interest bearing and are normally settled on 30-90 days terms

iii. The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at March 31, 2024. The disclosure pursuant to the said Act is as under:



## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

	31 March 2024	31 March 2023
Total outstanding amount in respect of micro, small and medium enterprises	890.872	1166.635
Principal amount due and remaining unpaid	-	-
Interest due on above and unpaid interest	-	-
Interest paid	-	-
Payment made beyond appointment day	6.789	1.651
Interest due and payable for the period of delay	0.154	0.006
Interest accrued and remaining unpaid (excluding interest accrued for earlier years)	0.154	0.006
Amount of further interest remaining due and payable in succeeding years	0.162	0.008

The identification of suppliers as micro, small and medium enterprise as defined under the Micro, Small and Medium Enterprises Development Act 2006, was done on the basis of information to the extent provided by the suppliers of company.

### 15 Other financial liabilities

#### Current

Unclaimed dividends	11.156	9.834
Employee benefits payable	608.419	353.459
Foreign exchange forward contracts	-	17.429
Other payables	11.557	7.807
	<b>631.132</b>	<b>388.529</b>

### 16 Other Liabilities

#### Current

Advances received from customers	5775.551	6829.394
Dues to customers relating to contracts in progress (Refer Note 27)	1887.490	1748.912
Statutory dues payable	265.976	62.422
	<b>7929.017</b>	<b>8640.728</b>

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

	31 March 2024	31 March 2023
<b>17 Revenue from operations ( Refer No 27)</b>		
<b>Revenue from Products and Projects</b>	<b>29862.660</b>	31642.117
Add: Closing contracts in progress	2355.270	1563.558
Less: Opening contracts in progress	1563.558	1948.408
	<b>(a) 30654.372</b>	31257.267
<b>Sale of Services</b>	<b>3562.445</b>	3523.111
Add: Closing contracts in progress	(267.682)	(225.251)
Less: Opening contracts in progress	(225.251)	(72.871)
	<b>(b) 3520.014</b>	3370.731
<b>Other Operating revenue</b>		
Scrap Sales	322.250	560.791
Sale of Export Licenses	36.601	91.589
Other Operating Revenue	129.547	-
	<b>(c) 488.398</b>	652.380
<b>Total Revenue from operations (a+b+c)</b>	<b>34662.784</b>	35280.378
<b>18 Other Income</b>		
Gain on redemption of investments (net) (FVTPL)	116.120	53.819
Fair Valuation Gain/(Loss) on Investment In Mutual Fund (FVTPL)	148.502	141.867
Interest		
- on fixed deposits	60.100	35.612
- Other	92.895	47.435
Interest on account of unwinding of security deposits and guarantee income	10.461	3.492
Profit / (loss) on sale of property, plant and equipment (net)	1.595	-
Excess provision / creditors written back (including advances)	3.258	70.348
Other non-operating income	2.055	3.435
	<b>434.986</b>	356.008
<b>19 Cost of materials consumed</b>		
Raw material consumed	19121.693	22291.935
	<b>19121.693</b>	22291.935

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

	31 March 2024	31 March 2023
<b>20 (Increase) / Decrease in inventories of Finished Goods, Work in Progress</b>		
<b>Inventories at the end of the year</b>		
Work in progress	<b>338.416</b>	844.726
Finished goods	<b>31.595</b>	24.748
	<b>370.011</b>	869.474
<b>Inventories at the beginning of the year</b>		
Work in progress	<b>844.726</b>	565.279
Finished goods	<b>24.748</b>	26.614
	<b>869.474</b>	591.893
<b>(Increase) / Decrease in inventories</b>	<b>499.463</b>	(277.581)
<b>21 Employee Benefit Expenses</b>		
Salaries, wages and bonus	<b>2883.368</b>	2326.025
Contributions to provident and other funds (Refer note 31 a)	<b>105.715</b>	84.355
Gratuity Expense (Refer note 31 b)	<b>28.615</b>	24.250
Employee stock option expense	-	7.848
Staff welfare	<b>169.656</b>	133.437
	<b>3187.354</b>	2575.915
<b>22 Finance costs</b>		
Interest expense - others	<b>0.157</b>	10.785
Net interest on defined benefit plan	<b>3.714</b>	4.658
Interest on Lease Liability	<b>94.012</b>	30.846
	<b>97.883</b>	46.289

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

	31 March 2024	31 March 2023
<b>23 Other Expenses</b>		
Consumption of stores and spares	<b>359.978</b>	370.873
Site expenses and labour charges*	<b>4163.177</b>	4026.648
Freight and transport	<b>707.832</b>	947.029
Bad debts written off (INR 78.910 ; 31 March 2023 INR 143.383) / Provision for doubtful debts and advances	<b>231.769</b>	255.355
Sales commission	<b>368.639</b>	235.525
Travel and conveyance	<b>347.003</b>	316.772
Professional consultancy charges	<b>598.972</b>	411.095
Software License fees	<b>117.259</b>	75.101
Insurance	<b>180.702</b>	89.597
Rent (Refer note 30)	<b>30.879</b>	47.443
Power and fuel	<b>118.423</b>	116.156
Advertising and exhibition expenses	<b>47.216</b>	47.972
Communication expenses	<b>28.358</b>	25.733
Testing charges	<b>74.971</b>	83.957
Repairs and maintenance:		
Building	<b>20.914</b>	15.629
Plant and Machinery	<b>40.695</b>	43.292
Others	<b>39.976</b>	32.758
Auditors' remuneration		
for audit services	<b>5.788</b>	5.238
for tax audit	<b>1.928</b>	1.800
out of pocket expenses	<b>0.155</b>	0.090
Non Executive Directors' commission	<b>13.500</b>	10.800
Rates and taxes	<b>15.126</b>	5.358
(Profit) / Loss on sale of fixed assets (net)	-	3.379
Miscellaneous expenses**	<b>622.556</b>	444.528
	<b>8135.816</b>	7612.128
* Includes travelling expenses, Job work charges and other site related expenses.		
** Mainly includes R&D expenses, security expenses, housekeeping expenses & CSR		

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

	31 March 2024	31 March 2023
<b>24 Income tax</b>		
<b>A Statement of profit and loss:</b>		
Current income tax:		
Current income tax charge	<b>917.606</b>	874.854
Tax relating to earlier periods	<b>(23.037)</b>	(0.290)
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	<b>46.130</b>	(85.497)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>940.699</b>	789.067
<b>B Statement of other comprehensive income:</b>		
<b>Deferred tax:</b>		
Remeasurements gains and losses on post employment benefits & Other OCI items	<b>12.325</b>	6.690
<b>Income tax expense reported in the statement of other comprehensive income</b>	<b>12.325</b>	6.690
<b>C Reconciliation of effective tax rate</b>		
<b>Accounting profit before tax</b>	<b>3774.608</b>	3187.249
<b>Tax using the Company's domestic tax rate 25.168% (25.168%)</b>	<b>949.993</b>	802.167
i Adjustments in respect of current income tax of previous years	<b>(23.037)</b>	(0.290)
<b>Less: Tax effect of:</b>		
I Income chargeable at lower rate	<b>(1.997)</b>	12.558
ii IND-AS adjustment	-	(0.319)
iii Reversal of Deferred Tax Liability on conditional exemption (net)	-	(54.428)
<b>Add: Tax effect of</b>		
i Gratuity provision addition considered in OCI	<b>12.247</b>	-
ii Donations ineligible under Income tax	<b>13.598</b>	8.012
iii Others including rounding off	<b>(13.470)</b>	21.673
iv Deferred Tax expenses accounted as no effect of Timing differences on MAT liability	-	0.888
v Expenses not allowed for tax purpose (including Exceptional Item)	-	0.695
vi Difference in tax rate of subsidiaries	<b>3.365</b>	(1.889)
<b>Total</b>	<b>940.699</b>	789.067
<b>Income tax expense reported in the statement of profit and loss</b>	<b>940.699</b>	789.067

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

### D Deferred tax

Deferred tax relates to the following: Deferred tax asset / (liability)	Balance sheet		Statement of profit and loss/ other comprehensive income & other equity	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
<b>Deferred tax asset</b>				
Provision for doubtful debts and advances	183.925	144.764	(39.160)	(28.950)
Gratuity	29.833	18.488	(11.344)	8.811
Provision for Project Costs	105.279	77.176	(28.102)	(77.176)
Carry forward business loss	6.207	-	(6.206)	-
Compensated absences	58.793	48.336	(10.456)	(4.492)
Percentage of completion on consolidated basis	34.723	25.174	(9.548)	(12.691)
Others disallowances under income tax	22.479	14.973	(7.505)	47.227
Lease Liability	108.576	106.076	(2.500)	(62.678)
Deposits	1.162	2.355	1.193	(2.355)
<b>Total</b>	<b>550.977</b>	<b>437.342</b>	<b>(113.628)</b>	<b>(132.304)</b>
<b>Deferred tax liability</b>				
Property, plant & equipment and intangible assets	(421.880)	(282.698)	139.182	52.342
Conditional exemptions calimed under Income tax / others	(51.424)	(43.174)	8.250	(12.225)
<b>Total</b>	<b>(473.304)</b>	<b>(325.872)</b>	<b>147.432</b>	<b>40.117</b>
<b>Net deferred tax asset / (liability)</b>	<b>77.673</b>	<b>111.470</b>	<b>-</b>	<b>-</b>
<b>Deferred tax expense/(income)</b>			<b>33.804</b>	<b>(92.187)</b>
- Recognised in the statement of profit and loss			<b>46.130</b>	<b>(85.497)</b>
- Recognised in the statement of other comprehensive income			<b>(12.325)</b>	<b>(6.690)</b>

### 25 Earnings per share

Particulars	31 March 2024	31 March 2023
<b>Reconciliation of basic and diluted shares used in computing earnings per share</b>		
Weighted average number of basic equity shares	183,744,509	183,692,524
Add: effect of dilutive potential equity shares:		
- Employee stock options	-	76,207
Weighted average number of diluted equity shares	183,744,509	183,768,731
<b>Computation of basic and diluted earnings per share</b>		
Net profit after tax attributable to equity shareholders	2,833.560	2,397.941
Basic earnings per equity share of INR 2 each	15.42	13.05
Diluted earnings per equity share of INR 2 each	15.42	13.05

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

### 26 Capital commitments and contingent liabilities

Particulars	31 March 2024	31 March 2023
<b>Capital commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	<b>294.555</b>	83.420
<b>Contingent liabilities</b>		
Claims against Company not acknowledged as debts (primarily relating to performance related claims filed by customers) (net of possibility of reimbursement from insurance company of Rs 41.021)	<b>21.845</b>	21.845
Disputed demands in appeal towards:		
- Income Tax	<b>40.232</b>	216.643
- Sales Tax	<b>2.785</b>	33.045

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

Particulars	31 March 2024	31 March 2023
Contract revenue recognised during the year (excluding taxes)	<b>28710.063</b>	29798.022
Aggregate amount of contract costs incurred and recognised profits (less recognised losses)	<b>55881.086</b>	45007.719
Customer advances outstanding for contracts in progress	<b>4718.692</b>	5215.096
Retention money due from customers for contracts in progress	<b>1445.053</b>	1254.639
Gross amount due from customers for contract work (presented as contracts in progress)	<b>3975.078</b>	3086.999
Gross amount due to customers for contract work (presented as dues to customers relating to contracts in progress)	<b>(1887.490)</b>	(1748.912)

#### I) Revenue by category of contracts:

Particulars	31 March 2024	31 March 2023
Over a period of time basis	<b>28710.063</b>	29798.022
At a point-in-time basis	<b>5952.721</b>	5482.356
<b>Total revenue from contracts with customers</b>	<b>34662.784</b>	35280.378

#### II) Revenue by geographical market:

Particulars	31 March 2024	31 March 2023
Within India	<b>27895.490</b>	29146.076
Outside India	<b>6767.294</b>	6134.302
<b>Total revenue from contracts with customers</b>	<b>34662.784</b>	35280.378

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

### III) Transaction price allocated to the remaining performance obligations

Particulars	31 March 2024	31 March 2023
Remaining performance obligations	<b>32066.053</b>	24020.896

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

### IV) Contract balances

Particulars	31 March 2024	31 March 2023
Trade receivables	<b>8359.836</b>	7948.334
Unbilled Revenue (Contract Asset)	<b>3975.078</b>	3087.219
Unearned Revenue (Contract Liability)	<b>1887.490</b>	1748.912
Customer Advances (Contract Liability)	<b>5775.551</b>	6829.394

Contract assets primarily relate to the group's rights to consideration for work completed but not billed at the reporting date. The Contract assets are transferred to Trade receivables on completion of milestones and its related invoicing.

The Contract liabilities relate to unearned revenue and customer advances where performance obligations are yet to be fulfilled as per the contracts. The fulfilment of the performance obligations will extinguish these liabilities and revenue will be recognised.

The payment is due from the date of invoice and payment terms are in the range of 30 days to 120 days. The Group expects that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be less than one year. Therefore, Group does not adjust the promised amount of consideration for the effects of financing component.

## 28 Segment reporting

The business activities of the group 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. process and project engineering.

### Entity Wide Disclosures:

Information concerning principal geographic areas are as follows:

#### I) Revenue by geographical market:

Revenue to external customers by geographic area by location of customers: Refer Note 27 (II)

#### II) Non-current assets by geographical market:

Particulars	31 March 2024	31 March 2023
Within India	<b>6714.385</b>	4366.311
Outside India	<b>0.498</b>	0.548
<b>Total Non -Current assets</b>	<b>6714.883</b>	4366.859



## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

### 29 Related party transactions

#### a) Key management personnel and their close members of family

Executive Chairman	Dr. Pramod Chaudhari
CEO & Managing Director	Shishir Joshipura
Chief Financial Officer & Director - Resources	Sachin Raole
Chief Internal Auditor & Company Secretary	Dattatraya Nimbolkar (upto 31st December 2023)
Company Secretary	Anant Bavare (from 1st January 2024)
Non-Executive Directors	Berjis Desai (Upto 31st March 2024)
	Sivaramakrishnan S. Iyer (Upto 31st March 2024)
	Vinayak Deshpande (from 31st March 2024)
	Utkarsh Palnitkar (from 31st March 2024)
	Parimal Chaudhari
	Mrunalini Joshi (Upto 10th August 2023)
	Rujuta Jagtap (From 21st August 2023)
	Dr. Shridhar Shukla
	Suhas Baxi
Key Management personnel of Subsidiaries	Vikram Pandit
	Sandeep Mehta
	Mihir Mehta
	Abhijit Dani
	Dilip Deshpande (from 17th May 2023)
	Avinash Padhye (from 17th May 2023)
Close members of family of key management personnel	Parimal Chaudhari (Director)
	Parth Chaudhari

#### b) Other related parties with whom transactions have been taken place uring the year

Praj Foundation
Plutus Properties LLP

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

Particulars	31 March 2024	31 March 2023
<b>Praj Foundation</b>		
Donation paid	35.426	20.893
Rent Received	0.060	0.060
<b>Plutus Properties LLP</b>		
Rent	4.166	3.968

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

Particulars	31 March 2024	31 March 2023
<b>Dr. Pramod Chaudhari</b>		
Short term employee benefits	110.349	92.919
Post employment benefits	19.664	12.744
Other long term employee benefits	2.813	1.500
Dividend	174.150	162.540
Payable	44.415	34.542
<b>Shishir Joshipura</b>		
Short term employee benefits	63.133	52.076
Post employment benefits	8.096	6.980
Other long term employee benefit	1.493	1.302
Sale of vehicle	0.300	-
Share based payment	39.306	-
Dividend	0.450	0.420
Payable	26.710	21.181
<b>Sachin Raole</b>		
Short term employee benefits	29.370	23.562
Post employment benefits	3.332	2.646
Other long term employee benefit	0.910	0.919
Share based payment	13.102	-
Dividend	0.653	0.609
Payable	16.093	11.563
<b>Dattatraya Nimbolkar</b>		
Short term employee benefits	8.774	9.781
Post employment benefits	0.226	0.508
Other long term employee benefit	0.131	0.192
Dividend	0.004	0.004
Payable	3.097	2.808
<b>Anant Bavare</b>		
Short term employee benefits	0.831	-
Post employment benefits	0.083	-
Other long term employee benefit	0.017	-
Payable	0.926	-
<b>Parimal Chaudhari</b>		
Commission on profit	3.000	2.400
Dividend	64.800	90.720
Payable	3.000	2.400
Commission to Non-Executive Directors (other than disclosed above)	10.500	8.400
Remuneration to Key management personnel of Subsidiaries	17.168	3.543
Professional fees paid to Non-Executive Directors of Subsidiaries	1.400	0.700

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

### 30 Leases

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

#### Nature of Leasing activity:

The Group has entered into lease arrangements for office and factory premises, office equipments, plant & machinery, vehicles, furniture & fixtures and computers.

Particulars	31 March 2024	31 March 2023
Depreciation for right-of-use asset	<b>226.829</b>	116.191
Depreciation for right-of-use asset - capitalised	<b>78.643</b>	-
Interest expense on lease liabilities	<b>94.012</b>	30.846
Expenses relating to short-term / low value leases	<b>30.879</b>	48.120
Total Cash outflow for leases	<b>452.010</b>	202.732
Carrying amount of right-of-use asset	<b>1751.717</b>	380.544
Maturity analysis of lease liabilities:		
- less than 1 year	<b>276.138</b>	158.757
- between 1 to 3 years	<b>755.834</b>	237.186
- more than 3 years	<b>661.351</b>	25.506

Changes in lease liabilities arising from financing activities

Particulars	31 March 2024	31 March 2023
Opening lease liability	<b>421.449</b>	210.876
Net addition / (deletion) during the year	<b>1598.993</b>	335.443
Finance cost	<b>94.012</b>	30.846
Lease payments	<b>(421.131)</b>	(155.716)
Closing lease liability	<b>1693.323</b>	421.449
Non-Current	<b>1417.185</b>	262.692
Current	<b>276.138</b>	158.757

### 31 Employee benefits

#### a) Defined contribution plans

The Group has recognised INR 105.715 (31 March 2023: INR 84.355) towards post-employment defined contribution plans comprising of provident, Employee State Insurance Scheme, National Pension Scheme and superannuation fund in the statement of profit and loss.

#### b) Defined benefit plan

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

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

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

Particulars	31 March 2024	31 March 2023
<b>Present value of obligation as at the beginning of the period</b>	<b>359.833</b>	321.766
Interest cost	<b>25.697</b>	21.548
Past service cost	-	-
Current service cost	<b>28.493</b>	24.250
Benefits paid	<b>(25.713)</b>	(29.527)
Remeasurements on obligation - (gain) / loss	<b>57.486</b>	21.796
<b>Present value of obligation as at the end of the period</b>	<b>445.796</b>	359.833

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

Particulars	31 March 2024	31 March 2023
<b>Fair value of plan assets at the beginning of the period</b>	<b>286.375</b>	213.300
Interest income	<b>21.983</b>	16.893
Contributions	<b>23.536</b>	56.848
Benefits paid	<b>(2.240)</b>	(0.968)
Mortality Charges and Taxes	<b>(0.402)</b>	(0.113)
Return on plan assets, excluding amount recognized in interest income - gain / (loss)	<b>(2.330)</b>	0.422
Adjustment entry	<b>(0.006)</b>	(0.007)
<b>Fair value of plan assets as at the end of the period</b>	<b>326.916</b>	286.375

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

Particulars	31 March 2024	31 March 2023
Present value of obligation as at the end of the period	<b>445.796</b>	359.834
Fair value of plan assets as at the end of the period	<b>326.916</b>	286.375
<b>Surplus / (deficit)</b>	<b>(118.880)</b>	(73.459)

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

Particulars	31 March 2024	31 March 2023
Current service cost	<b>28.615</b>	24.250
Net interest (income) / expense	<b>3.714</b>	4.658
<b>Net periodic benefit cost recognised in the statement of profit and loss at the end of the period</b>	<b>32.329</b>	28.908

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

Particulars	31 March 2024	31 March 2023
Remeasurement for the year - obligation (gain) / loss	<b>57.485</b>	21.796
Remeasurement for the year - plan assets (gain) / loss	<b>2.330</b>	(0.422)
<b>Total remeasurements cost / (credit) for the year</b>	<b>59.815</b>	21.374

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

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

Particulars	31 March 2024	31 March 2023
Interest (income) / expense - obligation	25.697	21.550
Interest (income) / expense - plan assets	(21.983)	(16.892)
<b>Net interest (income) / expense for the year</b>	<b>3.714</b>	<b>4.658</b>

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

Particulars	31 March 2024	31 March 2023
Funds managed by insurer	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>

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

Particulars	31 March 2024	31 March 2023
Discount rate	7.20%	7.40%-7.50%
Rate of increase in compensation levels	7.00%-9.00%	5.00%-9.00%
Expected rate of return on plan assets	7.40%-7.50%	7.00%-7.30%
Expected average remaining working lives of employees (in years)	7.92-11.02	9.67-13.91
Withdrawal rate		
Age upto 30 years	7% - 9%	2% - 7%
Age 31 - 40 years	7% - 9%	2% - 7%
Age 41 - 50 years	7% - 9%	2% - 7%
Age above 50 years	7% - 9%	2% - 7%

### A quantitative sensitivity analysis for significant assumptions is shown as follows:

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the present value of obligation. Sensitivity analysis is done by varying (increasing/ decreasing) one parameter by 100 basis points (1%)

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

Discount rate	Present value of obligation	
	31 March 2024	31 March 2023
Decrease by 1%	467.046	377.145
Increase by 1%	426.994	344.553

#### b) Impact of change in salary increase rate when base assumption is decreased / increased by 100 basis point

Salary increment rate	Present value of obligation	
	31 March 2024	31-Mar-23
Decrease by 1%	429.721	346.570
Increase by 1%	463.512	374.390

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

Withdrawal rate	Present value of obligation	
	31 March 2024	31-Mar-23
Decrease by 1%	447.520	360.609
Increase by 1%	444.236	359.130

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

### Risk Exposure and Asset Liability Matching

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

#### 1) Liability Risks

##### a. Asset-Liability Mismatch Risk-

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements.

##### b. Discount Rate Risk-

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

##### c. Future Salary Escalation and Inflation Risk-

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

#### 2) Asset Risks

All plan assets are maintained in a trust fund managed by LIC of India and ICICI Prudential Life Insurance.

The company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

## 32 Employee Stock Option Plan (ESOP)

In the Annual General Meeting of the Company held on 22 July 2011, total of 9,238,936 stock options were approved under the scheme "Employee Stock Option Plan 2011". In the Meeting of the Compensation and Share Allotment Committee held on 27 January 2015 it was decided to grant options to CEO & MD and senior executives of the Company at the relevant market price as ESOP 2011 – Grant I. The total options granted under ESOP 2011 - Grant I are 3,750,000 options out of which 250,000 options (Plan A) were granted to CEO & MD and 3,500,000 options (Plan B) were granted to senior executives of the Company.

During the year 2015-16 390,000 options were granted to senior executives of the Company as ESOP 2011 – Grant II to V. During the year 2016-17 100,000 options were granted to senior executive of the Company as ESOP 2011 – Grant VI. During the year 2017-18 1,969,700 options were granted to certain employees of the Company as ESOP 2011 – Grant VII. During the year 2018-19 1,625,000 options were granted to certain employees of the Company as ESOP 2011- Grant VIII to X. During the year 2021-22 140,000 options were granted to CEO& MD and certain senior executives of the Company as ESOP 2011- Grant XI.

The stock options vest in a graded manner equally over the period of vesting, each vesting taking effect as per the terms of the grant. The stock options granted are exercisable at 100% of the fair market value of the underlying equity shares of the Company as on the date of grant.

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

Particulars	31 March 2024	31 March 2023
Expense arising from equity-settled share-based payment transactions	-	7.848

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

### Movements during the year ESOP 2011 Grant I to XI

Particulars	31 March 2024		31 March 2023	
	Options	Weighted average exercise price INR	Options	Weighted average exercise price INR
<b>Number of options outstanding at the beginning of the year</b>	<b>1,00,000</b>		1,40,000	
Number of options granted during the year	-		-	
Number of options exercised during the year	<b>(1,00,000)</b>		(40,000)	
Number of options forfeited/lapsed during the year	-		-	
<b>Number of options outstanding at the end of the year</b>	<b>-</b>		1,00,000	
Number of options exercisable at the end of the year			-	
Range of exercise price of options outstanding at the end of the year	<b>NA</b>		INR 90.00	
Average share price during the year	<b>INR 483.04</b>		INR 376.91	
Weighted average remaining contractual life of options outstanding at the end of the year	<b>NA</b>		0.75 years	
Weighted average fair value of option as on date of grant (granted during the year)	<b>17-Jun-21</b>	<b>265.74</b>	17-Jun-21	265.74

### Method used for calculating fair value of option – Black Scholes Option Valuation Model

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

Particulars	FY 2023-24
Grant date	<b>17 Jun 2021</b>
Risk-free interest rate	<b>4.20%</b>
Expected life	<b>1.0 year</b>
Expected volatility*	<b>61.25%</b>
Expected dividend yield	<b>2.11%</b>
Price of the underlying share in market at the time of grant of option (INR)	<b>359.15</b>

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

### 33 Expenditure on research & development activities

Revenue expenditure on research is charged under respective heads of account in the year in which it is incurred. Capital expenditure on development consist of property, plant and equipment, capital work in progress, intangible assets and intangible assets under development. The property, plant and equipment and intangible assets as included above are depreciated / amortised on the same basis as per their respective categories. The Break-up of Research and development (R&D) revenue and capital expenditure is as below:

Particulars	31 March 2024	31 March 2023
Capital expenditure (Including capital work-in-progress and excluding advances)	<b>592.228</b>	43.142
Revenue expenditure	<b>384.703</b>	356.115

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

### 34 Corporate Social Responsibility (CSR) expenditure

The Indian companies were required to spend INR 43.254 (2023: 25.043) as expenditure on CSR as per requirements of the Companies Act, 2013. During the year, the Companies have incurred CSR expenses of INR 47.707 (2023: 33.262) included in Miscellaneous expenses (Refer Note 23) as follows:

Amount spent on	Amounts paid in FY 2023-24	Amounts paid in FY 2022-23
Construction/acquisition of asset	Nil	Nil
On other purposes covered under Schedule VII to Companies Act, 2013	47.707	33.262

Particulars	31 March 2024	31 March 2023
a) Amount required to be spent by the companies during the year	43.254	25.074
b) Amount of expenditure spent	47.707	33.262
i) Incurred through related party - Praj foundation	35.426	22.822
ii) contribution/donation of INR 12.281 (2023: 10.440) to trusts / institute which are engaged in activities eligible under section 135 of Companies Act, 2013 read with Schedule VII thereto.	12.281	10.440
c) Shortfall at the end of the year	-	-
d) Total of previous years shortfall	-	-
e) Cash outflow related to Corporate Social Responsibility (CSR) activities	47.707	33.262

### 35 Fair value measurements

This note explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised & measured at i. fair value ii. measured at amortised cost and for which fair values are considered to be same as the amortised costs disclosed in the financial statements. They are further classified into Level 1 to Level 3 as required by the accounting standard and described in the significant accounting policies of the Group. Further, the note describes valuation techniques used, key inputs to valuations and quantitative information about significant unobservable inputs for fair value measurements.

As per assessments made by the management, fair values of all financial instruments carried at amortised cost (except investment in quoted non-convertible bonds) are not materially different from their carrying amounts since they are either short term in nature or the interest rates applicable are equal to the current market rate of interest.

The Group has performed a fair valuation of its investment in mutual funds which are classified as fair value through profit and loss (FVTPL) and bonds which are classified as fair value through other comprehensive income (FVOCI) using quoted prices and fair valuations of foreign exchange forward contracts as per mark to market valuation from bank.

Sr. No	Particulars	Carrying value	
		31 March 2024	31 March 2023
	<b>Financial asset</b>		
<b>A</b>	<b>Levelled at level 1</b>		
	<b>Carried at fair value through profit and loss (FVTPL)</b>		
i)	Investments in mutual funds	3354.862	4198.606
	<b>Carried at fair value through other comprehensive income (FVOCI)</b>		
ii)	Investment in quoted non-convertible bonds	494.698	494.450



## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

Sr. No	Particulars	Carrying value	
		31 March 2024	31 March 2023
<b>B</b>	<b>Levelled at level 2</b>		
i)	Carried at fair value through profit and loss (FVTPL)		
	Foreign exchange forward contracts	<b>20.417</b>	-
	(The fair value is as per the mark-to-market valuation from banks)		
<b>C</b>	<b>Carried at amortised cost</b>		
	Investment in quoted non-convertible bonds*	<b>697.164</b>	635.885
	Investment in deposits	<b>420.000</b>	100.000
	Security deposits	<b>272.245</b>	112.962
	Trade receivable	<b>8359.836</b>	7948.334
	Deposits with banks with an original maturity of more than 12 months	<b>150.836</b>	28.875
	Other receivables	<b>130.966</b>	187.108
	Cash and cash equivalents and other bank balances	<b>2127.058</b>	1448.195
	<b>Financial liabilities</b>		
<b>A</b>	<b>Levelled at level 2</b>		
i)	Carried at fair value through profit and loss (FVTPL)		
	Foreign exchange forward contracts	-	17.429
	(The fair value is as per the mark-to-market valuation from banks)		
<b>B</b>	<b>Carried at amortised cost</b>		
	Trade payables	<b>4967.568</b>	5050.157
	Unclaimed dividends	<b>11.156</b>	9.834
	Lease Liability	<b>1693.323</b>	421.449
	Other payables	<b>626.369</b>	367.659
*	Fair value of investment in quoted non-convertible bonds at amortised cost	<b>689.379</b>	853.728

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

### 36 Financial risk management policy and objectives

The Group's principal financial liabilities, comprise lease liabilities & trade and other payables. The main purpose of these financial liabilities is to finance company's operations and to provide guarantees to support its operations. The Group's principal financial assets include trade and other receivables, security deposits and cash and cash equivalents, that derive directly from its operations.

In order to minimise any adverse effects on the financial performance of the Group, it has taken various measures. This note explains the source of risk which the entity is exposed to and how the entity manages the risk and impact of the same in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Aging analysis, external credit rating (wherever available)	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Lease and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk- Foreign Currency Risk	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Sensitivity Analysis	Management follows established risk management policies, including use of derivatives like foreign exchange forward contracts, where the economic conditions match the company's policy.

The Group's risk management is carried out by management, under policies approved by the board of directors. Group's treasury identifies, evaluates and hedges financial risks in close cooperation with the company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk, and investment of excess liquidity.

#### (A) Credit risk

Credit risk in case of the Group arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

##### Credit risk management

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assesses the reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The group considers the probability of default upon 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 group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward looking information such as:

- (i) Actual or expected significant adverse changes in business,
- (ii) Actual or expected significant changes in the operating results of the counterparty,
- (iii) Financial or economic conditions that are expected to cause a significant change to counterparty's ability to meet its obligations,
- (iv) Significant increases in credit risk on other financial instruments of the same counterparty,
- (v) Significant changes in the value of collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

The Group provides for expected credit loss as per simplified approach in case of trade receivables, claims receivable and security deposits when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the company. The group categorises a receivable for

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

provision for doubtful debts/write off when a debtor fails to make contractual payments greater than 180 days past due. The amount of provision depends on certain parameters set by the Group in its provisioning policy. Where loans or receivables have been written off, the Group 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 2024	31 March 2023
Trade receivables	<b>9080.102</b>	8513.000
Less : expected loss	<b>720.266</b>	564.666
	<b>8359.836</b>	7948.334

	31 March 2024	31 March 2023
<b>Trade receivables</b>		
Neither past due nor impaired	<b>3723.523</b>	3225.715
Less than 180 days	<b>3518.538</b>	3614.708
181 - 365 days	<b>564.120</b>	626.480
More than 365 days	<b>1273.921</b>	1046.097
<b>Gross trade receivables</b>	<b>9080.102</b>	8513.000
Less: Impairment Allowance	<b>(720.266)</b>	(564.666)
<b>Total</b>	<b>8359.836</b>	7948.334

### Reconciliation of loss provision

	31 March 2024	31 March 2023
Opening loss allowance	<b>564.666</b>	<b>454.661</b>
Changes in loss allowance	<b>155.600</b>	<b>110.005</b>
Closing loss allowance	<b>720.266</b>	<b>564.666</b>

## B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, group maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is carried out in accordance with practice and limits set by the group. In addition, the group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

<b>Exposure to risk</b>	31 March 2024	31 March 2023
<b>Interest bearing borrowings</b>		
On demand	-	-
Less than 180 days	-	-
181 - 365 days	-	-
More than 365 days	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Other financial liabilities</b>		
On demand	11.156	9.834
Less than 365 days	896.114	543.858
More than 365 days	1423.578	262.679
<b>Total</b>	<b>2330.848</b>	<b>816.371</b>
<b>Trade payables</b>		
Not Due	4265.349	4513.366
Less than 365 days	702.219	536.791
More than 365 days	-	-
<b>Total</b>	<b>4967.568</b>	<b>5050.157</b>

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

	31 March 2024	31 March 2023
Expiring within one year	410.000	410.000
Expiring beyond one year		

### (C) Foreign currency risk

The group is exposed to foreign exchange risk mainly through its sales to overseas customers and purchases from overseas suppliers in various foreign currencies.

The group evaluates exchange rate exposure arising from foreign currency transactions and the Group follows established risk management policies, including use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk, where the economic conditions match the Group's policy.

**Foreign currency exposure :**

Financial assets	Currency	Amount in foreign currency		Amount in INR	
		31 March 2024	31 March 2023	31 March 2024	31 March 2023
Trade receivables	EUR	10.791	6.003	961.239	529.439
	USD	12.578	12.416	1037.144	1012.822
	GBP	0.180	0.180	18.698	18.107
Less: Foreign exchange forward contracts	EUR	10.569	4.000	962.609	361.800
	USD	9.550	3.100	801.167	256.370
Bank accounts	EUR	1.056	0.000	94.093	0.000
	USD	0.796	0.293	65.739	23.904
Financial liabilities	Currency	Amount in foreign currency		Amount in INR	
		31 March 2024	31 March 2023	31 March 2024	31 March 2023
Trade payables	EUR	0.527	0.402	47.841	36.354
	USD	2.509	1.418	210.400	117.401
	GBP	0.000	0.000	0.019	0.018
	SEK	0.632	0.632	4.931	5.005

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

### Currency wise net exposure (assets -liabilities)

Particulars	Amount in foreign currency		Amount in INR	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
EUR	0.751	1.601	44.882	131.285
USD	1.315	8.191	91.316	662.955
GBP	0.180	0.180	18.679	18.089
SEK	(0.632)	(0.632)	(4.931)	(5.005)

### Sensitivity analysis

Currency	Amount in INR		Sensitivity %	Impact on profit-strengthen [Loss/(Gain)]		Impact on profit-weakening [Loss/(Gain)]	
	2024	2023		2024	2023	2024	2023
EUR	44.882	131.285	5.00%	(2.244)	(6.564)	2.244	6.564
USD	91.316	662.955	5.00%	(4.566)	(33.148)	4.566	33.148
GBP	18.679	18.089	5.00%	(0.934)	(0.904)	0.934	0.904
SEK	(4.931)	(5.005)	5.00%	0.247	0.250	(0.247)	(0.250)
<b>Total</b>	<b>149.946</b>	<b>807.324</b>		<b>(7.497)</b>	<b>(40.366)</b>	<b>7.497</b>	<b>40.366</b>

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

## 37 Ageing schedule for Trade Receivables, Trade Payables and Capital Work-in-progress

(A) The table below provides details regarding ageing of Trade receivables

Particulars	31 March 2024						
	Unbilled dues/Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 Year	1-2 Years	2-3 Years	More than 3 years	
(i) Undisputed Trade receivables – considered good	3723.524	3518.538	515.567	407.690	155.068	17.482	8337.869
(ii) Undisputed Trade Receivables – credit impaired	0.000	0.000	48.553	181.734	112.300	323.207	665.794
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	0.000	0.000
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	76.440	76.440
<b>Gross trade receivable</b>	<b>3723.524</b>	<b>3518.538</b>	<b>564.120</b>	<b>589.424</b>	<b>267.368</b>	<b>417.129</b>	<b>9080.103</b>
Less: Impairment Allowance							(720.267)
<b>Total</b>							<b>8359.836</b>

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

Particulars	31 March 2023						
	Unbilled dues/Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 Year	1-2 Years	2-3 Years	More than 3 years	
(i) Undisputed Trade receivables – considered good	3221.197	3614.708	568.469	335.845	154.566	9.030	7903.815
(ii) Undisputed Trade Receivables – credit impaired	4.518	0.000	58.011	97.651	108.459	248.083	516.722
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	44.521	44.521
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	47.942	47.942
<b>Gross trade receivable</b>	<b>3225.715</b>	<b>3614.708</b>	<b>626.480</b>	<b>433.496</b>	<b>263.025</b>	<b>349.576</b>	<b>8513.000</b>
Less: Impairment Allowance							(564.666)
<b>Total</b>							<b>7948.334</b>

(B) The table below provides details regarding ageing of Trade payables

Particulars	31 March 2024					
	Unbilled dues/Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
(i)MSME	987.827	10.514	0.667	0.000	0.000	999.008
(ii)Other	3277.522	674.620	16.579	5.018	(5.179)	3968.560
<b>Total</b>	<b>4265.349</b>	<b>685.134</b>	<b>17.246</b>	<b>5.018</b>	<b>(5.179)</b>	<b>4967.568</b>

Particulars	31 March 2023					
	Unbilled dues/Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
(i)MSME	1151.906	14.218	0.511	0.000	0.000	1166.635
(ii)Other	3361.460	467.639	38.181	5.536	10.706	3883.522
<b>Total</b>	<b>4513.366</b>	<b>481.857</b>	<b>38.692</b>	<b>5.536</b>	<b>10.706</b>	<b>5050.157</b>

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

(C) The table below provides details regarding ageing of Capital Work-in-progress (CWIP) and Intangibles under Development

Particulars	31 March 2024				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Capital Work-in-progress	21.459	10.532			31.991
Intangibles under Development	0.000	401.546	-	-	401.546

Particulars	31 March 2023				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Capital Work-in-progress	50.558	18.166	-	-	68.724
Intangibles under Development	0.763	-	-	-	0.763

Projects whose completion is overdue or has exceeded its cost compared to its original plan the year ended 31 March 2024  
INR: NIL (31 March 2023 INR: NIL)

### 38 Financial Ratios

Sr. No.	Ratio	Numerator	Denominator	31-Mar-24	31-Mar-23	% Variance	Reason for Variance
1	Current ratio	Current assets	Current liabilities	1.52	1.45	4.83%	NA
2	Debt-equity ratio	Debt	Net worth	NA	NA	-	NA
3	Debt service coverage ratio	Profit after tax + finance cost and depreciation	Interest & Lease Payments	8.01	17.64	-54.59%	Decrease in ratio is mainly on account of increase in number of leases entered during the year compared to increase in profit
4	Return on equity ratio	Profit after tax	Average Shareholder's Equity	24.09%	24.06%	0.12%	NA
5	Inventory turnover ratio	Cost of materials consumed + Changes in inventories + Consumption of stores and spares	Average Inventory	7.21	6.60	9.24%	NA

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

Sr. No.	Ratio	Numerator	Denominator	31-Mar-24	31-Mar-23	% Variance	Reason for Variance
6	Trade receivables turnover ratio	sales (billed to customer)	Average Accounts Receivable	4.14	5.48	-24.45%	Revenue and trade receivables were significantly lower in FY 2021-22 compared to FY 2022-23, reducing the average receivables for FY 2022-23. With no significant revenue change this year, the average accounts receivable turnover ratio decreased.
7	Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	3.69	4.71	-21.66%	NA
8	Net capital turnover ratio	sales	Average Workin capital	4.79	5.61	-14.62%	NA
9	Net profit ratio	Profit After Tax	sales	8.18%	6.80%	20.29%	NA
10	Return on capital employed	Earning Before Interest & Tax	Capital Employed	30.57%	30.31%	0.86%	NA
11	Return on investment	Income from Investments	Investment				
	i. Mutual Funds			7.48%	5.28%	41.67%	Increase in return on investment due to favourable market conditions
	ii. Bonds			7.37%	7.04%	4.69%	NA
	iii. Fixed Deposits			2.10%-6.55%	2.10%-3.62%	13.48%	NA

### 39 Other Notes

#### i Details of Benami Property

The Indian companies in Group do not own any benami property neither any proceedings are initiated or pending against the Group under the Prohibition of Benami Property Transactions Act, 1988.

#### ii Borrowings secured against current assets

Though the Indian companies in Group do not have any fund based borrowings from banks or financial institutions on the basis of security of current assets, it has filed quarterly returns or statements of current assets with banks or financial institutions and the same are in agreement with the books of account.

#### iii Wilful Defaulter

The Indian companies in Group have not been declared as wilful defaulter by any bank or financial institution or other lender.



## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

### iv Relationship with Struck off Companies

The Indian companies in Group have not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956

### v Registration of charges with ROC

There are three charges totalling to INR 781.550 million created in favour of banks which are pending for satisfaction. There are no outstanding dues to these banks and satisfaction of these charges are pending due to technical issues which are being sorted out by the Indian companies in Group.

### vi Utilisation of Borrowed funds and share premium

The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), 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;

## 40 Capital management

### Risk management

The Group's objectives when managing capital are to

- safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits to other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Group monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents) divided by total equity and net debt (as shown in the balance sheet, including non-controlling interests).

The Group's strategy is to maintain a gearing ratio 0%. The gearing ratios were as follows:

	31 March 2024	31 March 2023
Loans and borrowings	-	-
Other financial liability	-	-
Less: cash and cash equivalents	<b>1684.158</b>	985.814
Net debt	-	-
Equity	<b>12745.698</b>	10780.672
Capital and net debt	<b>12745.698</b>	10780.672
<b>Gearing ratio</b>	<b>0%</b>	0%

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

### 41 Additional information, as required under schedule III to the companies Act, 2013, of enterprises consolidated as subsidiary / Associates / Joint Ventures for the year ended 31st March 2024

Name of the Enterprise	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
1	2	3	4	5	6	7	8	9
<b>Parent</b>								
Praj Industries Limited	98.84%	12597.896	98.97%	2804.229	72.51%	(36.228)	99.43%	2768.001
<b>Subsidiaries</b>								
<b>Indian</b>								
1 Praj HiPurity Systems Limited, India.	6.48%	825.702	8.16%	231.148	20.09%	(10.038)	7.94%	221.110
2 Praj Engineering and infra Limited, India	2.37%	302.105	3.73%	105.736	0.59%	(0.295)	3.77%	105.092
3 Praj GenX Limited	-0.25%	(32.240)	-1.13%	(32.058)	1.36%	(0.681)	-1.18%	(32.739)
<b>Foreign</b>								
1 Praj Far East Philippines Ltd., Philippines	0.20%	25.187	-0.07%	(1.901)	2.06%	(1.031)	-0.11%	(2.932)
2 Praj Americas Inc. USA	0.15%	19.119	0.08%	2.274	-0.31%	0.157	0.09%	2.431
3 Praj Far East Co., Ltd. Thailand	0.30%	38.704	0.10%	2.856	3.69%	(1.846)	0.04%	1.010
Minority Interests in all subsidiaries	0.01%	0.999	0.01%	0.349	-	-	0.01%	0.241
Inter Company Eliminations/ Goodwill Amortisation	-8.10%	(1031.774)	-9.85%	(279.073)	-	-	-10.00%	(278.266)
<b>Total</b>	<b>100.00%</b>	<b>12745.698</b>	<b>100.00%</b>	<b>2833.560</b>	<b>100.0%</b>	<b>(49.962)</b>	<b>100.00%</b>	<b>2783.948</b>

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

### Additional information, as required under schedule III to the companies Act, 2013, of enterprises consolidated as subsidiary / Associates / Joint Ventures for the year ended 31st March 2023

Name of the Enterprise	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
1	2	3	4	5	6	7	8	9
<b>Parent</b>								
Praj Industries Limited	98.90%	10661.853	99.09%	2376.082	121.80%	(19.891)	98.92%	2356.191
<b>Subsidiaries</b>								
<b>Indian</b>								
1 Praj HiPurity Systems Limited, India.	7.93%	854.594	7.07%	169.611	0.32%	(0.053)	7.12%	169.558
2 Praj Engineering and infra Limited, India	1.82%	196.664	2.87%	68.764	-0.01%	0.001	2.89%	68.765
<b>Foreign</b>								
1 Praj Far East Philippines Ltd., Philippines	0.26%	28.120	0.28%	6.684	-9.64%	1.575	0.35%	8.259
2 Praj Americas Inc. USA	0.15%	16.687	0.09%	2.140	-7.31%	1.193	0.14%	3.333
3 Praj Far East Co., Ltd. Thailand	0.35%	37.695	0.47%	11.370	-12.95%	2.115	0.57%	13.485
Minority Interests in all subsidiaries	0.01%	0.688	0.01%	0.241	-	-	0.01%	0.241
Inter Company Eliminations/ Goodwill Amortisation	-9.42%	(1015.629)	-9.88%	(236.951)	7.8%	(1.271)	-9.99%	(237.981)
<b>Total</b>	<b>100.00%</b>	<b>10780.672</b>	<b>100.00%</b>	<b>2397.941</b>	<b>100.0%</b>	<b>(16.331)</b>	<b>100.0%</b>	<b>2381.851</b>

#### 42 Partly-owned subsidiary

Financial information of subsidiary that have non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interest:

Name	Country of operation	31 March 2024	31 March 2023
Praj Engineering and Infra Limited	India	<b>0.33%</b>	0.35%

#### Information regarding non-controlling interest

The summarised financial information of the subsidiary is provided below. This information is based on amounts before inter-company eliminations.

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

### Summarised statement of profit and loss

Particulars	31 March 2024	31 March 2023
Total Income	1714.855	1347.821
Employee benefits expense	41.008	19.602
Finance costs	0.023	0.015
Depreciation	0.000	0.267
Other expenses	1531.995	1236.154
<b>Profit before tax</b>	<b>141.829</b>	<b>91.783</b>
Total tax expense	36.093	23.019
<b>Profit for the year:</b>	<b>105.736</b>	<b>68.764</b>
<b>Total comprehensive income</b>	<b>105.092</b>	<b>68.765</b>
<b>Attributable to non-controlling interests</b>	<b>0.349</b>	<b>0.241</b>

### Summarised balance sheet

Particulars	31 March 2024	31 March 2023
Non current assets	29.045	28.467
Current assets	1153.519	1021.657
<b>Total Assets</b>	<b>1182.564</b>	<b>1050.124</b>
Non current liabilities	1.336	0.914
Current liabilities	879.123	852.546
<b>Total Liabilities</b>	<b>880.459</b>	<b>853.460</b>
<b>Total Equity</b>	<b>302.105</b>	<b>196.664</b>
<b>Attributable to:</b>		
Equity holders of parent	301.106	195.976
Non-controlling interest	0.999	0.688

### Summarised cash flow

Particulars	31 March 2024	31 March 2023
Net cash flows from operating activities	30.698	111.443
Net cash flows from investing activities	(9.709)	(165.534)
Net cash flows from financing activities	0.000	0.000
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>20.989</b>	<b>(54.091)</b>

## Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2024

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

### 43 Interest in Subsidiaries:

The summarised information of the subsidiary as at 31st March 2024 is as provided below.

Name of entity	Place of Business	Ownership interest held by the group		Ownership interest held by non-controlling interests		Principal activities
		31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	
1 Praj HiPurity Systems Limited, India.	India	100%	100%	-	-	Manufacturing, installation and commissioning of water purification systems
2 Praj Engineering and infra Limited, India	India	99.67%	99.65%	0.33%	0.35%	Installation, Commissioning and sub-contracting works
3 Praj GenX Limited	India	100%	-	-	-	Process and Project Engineering
4 Praj Far East Philippines Ltd., Philippines	Philippines	100%	100%	-	-	Installation, Commissioning and sub-contracting works
5 Praj Americas Inc. USA	USA	100%	100%	-	-	Marketing and Supporting services
6 Praj Far East Co., Ltd. Thailand	Thailand	100%	100%	-	-	Commissioning and sub-contracting works with marketing and supporting services

44 The Ministry of Corporate Affairs vide notification number GSR 205 (E) dated 24th March 2021 and as amended from time to time, read with proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, for the financial year commencing April 1, 2023 has prescribed, inter-alia, certain requirements related to maintenance of an audit trail emanating from accounting software. The Group had enabled the audit trail at an application level for all the tables and fields for its books of account and relevant transactions in the accounting software used by it, in conformity with the said regulations. However, the accounting software used by the Group has not been enabled with the feature of audit trail log at the database layer to log direct transactional changes, due to the present design of the accounting software. The interpretation and guidance on what level of edit log and audit trail needs to be maintained, continues to evolve.

As per our report of even date.

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

For **P G BHAGWAT LLP**  
Chartered Accountants  
Firm Regn. No: 101118W/W100682

**Dr. Pramod Chaudhari**  
Executive Chairman  
(DIN : 00196415)

**Shishir Joshipura**  
CEO and Managing Director  
(DIN : 00574970)

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

**Abhijeet Bhagwat**  
Partner  
Membership No.: 136835

**Anant Bavare**  
Company Secretary  
(M.No.: ACS21405)

Place: Pune  
Date: 30 May 2024

## Praj Industries Limited

“Praj Tower”, S.No. 274 & 275/2, Bhumkar Chowk- Hinjewadi Road, Hinjewadi, Pune – 411 057.

CIN: L27101PN1985PLC038031

e-mail : investorsfeedback@praj.net; website : www.praj.net

### Notice

Notice is hereby given that the Thirty Eighth (38<sup>th</sup>) Annual General Meeting (“AGM”) of Praj Industries Limited (“the Company”) will be held on **Thursday, the 25<sup>th</sup> July, 2024** through Video Conferencing (“VC”) / Other Audio Video Visual Means (“OAVM”) at **10.00 a.m.** (IST). The venue of the AGM shall be deemed to be the Registered Office of the Company. The following businesses will be transacted at the AGM:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Standalone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2024 together with the reports of Board of Directors and the Auditors thereon.
2. To receive, consider and adopt the audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2024 together with the report of the Auditors thereon.
3. To declare dividend of ₹ 6/- (300%) per equity share of ₹ 2/- each for the financial year ended 31<sup>st</sup> March, 2024.
4. To re-appoint Ms. Parimal Chaudhari (DIN: 00724911), who retires by rotation and being eligible, offers herself for re-appointment.

#### SPECIAL BUSINESS

5. **To ratify the remuneration of Dhananjay V. Joshi & Associates, Cost Accountants, Pune as Cost Auditors for the financial year ending 31<sup>st</sup> March, 2025 and in this regard to consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company hereby ratifies the remuneration of ₹ 3,25,000/- (Rupees Three Lakhs Twenty Five Thousand only) as Audit fees plus out of pocket expenses at actual on submission of supporting bills, plus applicable taxes, payable to Dhananjay V. Joshi & Associates, Cost Accountants (Firm Registration No. 00030), Pune who have been appointed by the Board of Directors as Cost Auditors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2025.”

By Order of the Board of Directors  
For **Praj Industries Limited**

**Anant Bavare**  
Company Secretary &  
Compliance Officer  
(M. No.: 21405)

Place: Pune  
Date: 30<sup>th</sup> May, 2024

Registered Office:  
“Praj Tower”, S. No. 274 & 275/2,  
Bhumkar Chowk-Hinjewadi Road,  
Hinjewadi, Pune 411 057.

**Notes:-**

1. Ministry of Corporate Affairs (“MCA”), vide its General Circular No., 09/2023 dated 25<sup>th</sup> September, 2023 (“MCA Circular”) and the Securities and Exchange Board of India (“SEBI”) vide its Circular dated 7<sup>th</sup> October, 2023 (“SEBI Circular”), has permitted convening the general meetings through VC/OAVM, without physical presence of the members at a common venue. Accordingly, the 38<sup>th</sup> AGM of the Company is being held through VC/OAVM. The deemed venue for the AGM shall be “Praj Tower”, S. No. 274 & 275/2, Bhumkar Chowk - Hinjewadi Road, Hinjewadi, Pune-411 057.
2. As the AGM is being held pursuant to MCA Circular and SEBI Circular through VC/OAVM, the facility to appoint proxy shall not be available for the AGM and hence the Proxy Form, the Attendance Slip and the Route Map are not annexed to this Notice. However, Corporate members intending to authorize authorised representatives to attend the Meeting through VC/OAVM are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Information regarding re-appointment of Director and Explanatory Statement in respect of special business to be transacted pursuant to Section 102 of the Companies Act, 2013 (“the Act”) and/or Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) is annexed hereto.
4. In case of joint holders, only such joint holder who is higher in the order of names will be entitled to vote.
5. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days (Saturdays and Sundays are weekly offs), during business hours up to the date of the Meeting.
6. The Company has notified closure of Register of Members and Share Transfer Books from **Friday, the 19<sup>th</sup> July, 2024 to Thursday, the 25<sup>th</sup> July, 2024 (both days inclusive)**.

The Dividend, if any declared, shall be payable to those shareholders whose names stand registered:

- a. As beneficial owner as at the end of business hours on **Thursday, the 18<sup>th</sup> July, 2024** as per the lists to be furnished by National Securities Depository Limited and Central depository Services (India) Limited in respect of the shares held in the electronic form.
  - b. As member in the register of members (Beneficiaries Position) of the Company / Registrar & Share Transfer Agent as at the end of the business hours on **Thursday, the 18<sup>th</sup> July, 2024**.
  - c. The dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched by **23<sup>rd</sup> August, 2024** before statutory time limit.
7. Members holding shares in electronic form are requested to intimate any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates to the Company / Link Intime India Private Limited, Registrar & Share Transfer Agent of the Company (Link).
  8. Pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (‘IEPF Rules’) including any statutory modification(s) or re-enactment thereof for the time being in force, dividend for the financial year ended 31<sup>st</sup> March, 2017 and onwards, which remains unclaimed for a period of seven (7) years from the date of its transfer to the unpaid dividend account of the Company would be transferred to Investor Education and Protection Fund (IEPF).
  9. The members who have so far not yet claimed their dividend for the previous years are advised to submit their claim to the Company or to the Company’s Registrar & Share Transfer Agent at their address given herein below, quoting their Folio No. / DP Id and Client Id:

Link Intime India Pvt. Ltd.  
Block No. 202, 2<sup>nd</sup> Floor, Akshay Complex,  
Near Ganesh Temple, Off Dhole Patil Road,  
Pune 411 001.

During financial year 2023-24, the Company has transferred the unpaid or unclaimed dividend of ₹ 15,25,700/- (Rupees Fifteen Lakhs Twenty Five Thousand Seven Hundred only) to IEPF in accordance with the provisions of Section 125 of the Act read with the IEPF Rules, as amended.

10. Pursuant to the provisions of Section 124(6) of the Act read with IEPF Rules, 2016, as amended, all the shares in respect of which dividend has not claimed for 7 consecutive years or more shall be transferred by the Company in the name of IEPF.
- The shareholders who have not claimed / encashed the dividend in the last 7 consecutive years from financial year 2016-17 are requested to claim the same to avoid transfer of shares to IEPF.

In accordance with the aforesaid provisions, the Company has transferred 36,174 equity shares pertaining to the financial year 2015-16, in respect of which the dividend has not been claimed by the concerned shareholder/s consecutively for 7 years to IEPF on 1<sup>st</sup> June, 2023. Shareholders may note that the unclaimed dividend amount transferred to IEPF and the shares transferred to the Demat Account of IEPF can be claimed back from IEPF by making an online application in web Form IEPF 5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)) to IEPF authority with a copy to the Company.

11. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Link, for consolidation into a single folio.
12. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Link.
13. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
14. Non-Resident Indian Members are requested to inform Link, immediately of:
  - a. Change in their residential status on return to India for permanent settlement.
  - b. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with PIN code number, if not furnished earlier.
15. To further Company's environment friendly agenda and to participate in MCA's Green Initiatives, members are requested to register / update their e-mail address with their Depository Participants. Members who are holding shares in physical form are requested to send their e-mail address at [investorsfeedback@praj.net](mailto:investorsfeedback@praj.net) for updation.
16. The notice of 38<sup>th</sup> AGM and instructions for remote e-voting, is being sent by electronic mode to all members whose email addresses are registered with the Company/Depository Participant(s) unless a member has requested for a hard copy of the same.
17. Members are requested to notify their queries, if any, on financial statements etc. latest by **20<sup>th</sup> July, 2024** to facilitate the answering thereto. The queries be sent on e-mail at [investorsfeedback@praj.net](mailto:investorsfeedback@praj.net).
18. Members who would like to express their views or ask questions during AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP Id and Client ID/Folio No., mobile number at [investorsfeedback@praj.net](mailto:investorsfeedback@praj.net) on or before 20<sup>th</sup> July, 2024 by 5.00 P.M. IST. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. Speakers are requested to submit their questions at the time of registration, to enable the Company to respond appropriately.
19. When a pre-registered speaker is invited to speak at the meeting but does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/camera along with good internet speed.
20. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, to ensure the smooth conduct of the AGM.

By Order of the Board of Directors  
For **Praj Industries Limited**

**Anant Bavare**  
**Company Secretary &**  
**Compliance Officer**  
**(M. No.: 21405)**

**Place: Pune**  
**Date: 30<sup>th</sup> May, 2024**

**Registered Office:**  
"Praj Tower", S. No. 274 & 275/2,  
Bhumkar Chowk-Hinjewadi Road,  
Hinjewadi, Pune 411 057.



## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE ACT:

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

### Item No. 5

#### **To ratify the remuneration of Dhananjay V. Joshi & Associates, Cost Accountants, Pune as Cost Auditors for the financial year ending 31st March, 2025:**

The Board, on the recommendation of the Audit Committee, has approved the appointment of Dhananjay V. Joshi & Associates, Cost Accountants, Pune, the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2025 for a total remuneration of ₹ 3,25,000/- (Rupees Three Lakhs Twenty Five Thousand only) as Audit fees plus out of pocket expenses at actual on submission of supporting bills and taxes as may be applicable.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the members.

By Order of the Board of Directors  
For **Praj Industries Limited**

**Anant Bavare**  
Company Secretary &  
Compliance Officer  
(M. No.: 21405)

**Place: Pune**

**Date: 30<sup>th</sup> May, 2024**

#### **Registered Office:**

"Praj Tower", S. No. 274 & 275/2,  
Bhumkar Chowk-Hinjewadi Road,  
Hinjewadi, Pune 411 057.

## Annexure

<b>Name of the Director</b>	<b>Ms. Parimal Chaudhari, Non-Executive Director</b>
<b>DIN</b>	00724911
<b>Date of Birth</b>	1 <sup>st</sup> August, 1956
<b>Age</b>	67 years
<b>Qualifications</b>	Post Graduate degree in Journalism & Communications from Pune University and MS in Television-Radio-Film (TRF) from Syracuse University, USA.
<b>Brief resume and expertise in specific functional areas</b>	Versatile experience in Communication and Human Resource development. As Managing Trustee of Praj Foundation, she steers the CSR activities of the Company.
<b>Date of first appointment on the Board</b>	5 <sup>th</sup> June, 2007
<b>Date of re-appointment by the Members</b>	26 <sup>th</sup> July, 2023
<b>Shareholding in the Company as on the date of AGM</b>	1,44,00,000
<b>Terms and conditions of appointment</b>	Liable to retire by rotation
<b>Details of remuneration last drawn</b>	₹ 30,00,000/- as commission on profits
<b>Details of proposed remuneration</b>	Profit based commission on annual basis, as per the recommendation of Nomination and Remuneration Committee (NRC)
<b>Relationship with other Directors and Key Managerial Personnel</b>	Spouse of Dr. Pramod Chaudhari, Executive Chairman
<b>Number of meetings of the Board attended during the financial year 2023-24</b>	3
<b>Chairperson/Membership of the Committee(s) of Board of Directors of the Company as on the date of notice of AGM*</b>	Member of Stakeholders' Relationship Committee
<b>Other companies in which she is a Director excluding Directorship in Private and Section 8 companies as on the date of notice of AGM</b>	Nil
<b>Chairperson/Membership of the Committee(s) of Board of Directors of other companies in which she is a Director excluding Private and Section 8 companies as on the date of notice of AGM*</b>	Nil
<b>Listed companies from which she has resigned in the past three years</b>	Nil

\* Committee membership includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited Company (whether listed or not).

## E-voting related instructions

1. Ministry of Corporate Affairs (“MCA”), vide its General Circular No., 09/2023 dated 25<sup>th</sup> September, 2023 (“MCA Circular”) and the Securities and Exchange Board of India (“SEBI”) vide its Circular dated 7<sup>th</sup> October, 2023 (“SEBI Circular”), has permitted convening the general meetings through VC/OAVM, without physical presence of the members at a common venue. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the MCA Circular, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the Listing Regulations (as amended), and the MCA Circular and SEBI Circular, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In line with the MCA Circular, the Notice calling the AGM has been uploaded on the website of the Company at [www.praj.net](http://www.praj.net). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

## THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Monday, the 22<sup>nd</sup> July, 2024 at 09:00 A.M. and ends on Wednesday, the 24<sup>th</sup> July, 2024 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Thursday, the 18<sup>th</sup> July, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 18<sup>th</sup> July, 2024.

### How do I vote electronically using NSDL e -Voting system?




The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

#### Step 1: Access to NSDL e-Voting system

##### A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “<b>Login</b>” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>    </div>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [sunil.nanal@kanjcs.com](mailto:sunil.nanal@kanjcs.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “Upload Board Resolution / Authority Letter” displayed under “e-Voting” tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on.: 022 - 4886 7000 or send a request to Ms. Prajakta Pawle at [evoting@nsdl.com](mailto:evoting@nsdl.com)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [investorsfeedback@praj.net](mailto:investorsfeedback@praj.net)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investorsfeedback@praj.net](mailto:investorsfeedback@praj.net). If you are an Individual Shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual Shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [investorsfeedback@praj.net](mailto:investorsfeedback@praj.net). The same will be replied by the company suitably.



## DIVIDEND AND TDS RELATED INFORMATION

1. The Record Date for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting is **Thursday, the 18<sup>th</sup> July, 2024.**
2. Dividend as recommended by the Board of Directors, if approved at this meeting, will be paid by 23<sup>rd</sup> August, 2024 by way of electronic mode or in physical form as follows:
  - a) To all those shareholders holding shares in electronic form, as per the beneficial ownership data made available to the Company by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) as at the close of business hours on the record date i.e., Thursday, the 18<sup>th</sup> July, 2024 and
  - b) To all those shareholders holding shares in physical form, as per the details provided to the Company by the share transfer agent of the Company i.e., Link Intime India Private Limited (“Link Intime”) as at the close of business hours on the record date i.e., Thursday, the 18<sup>th</sup> July, 2024.
3. Accordingly, you are requested to ensure that the below details, as applicable to you, are submitted and/ or updated with Link Intime / your Depository participant(s):
  - Valid Permanent Account Number (PAN);
  - Residential status as per the Income-tax Act, 1961 (‘the Act’), i.e. Resident or Non-Resident for FY 2024-25;
  - Category of the Shareholder, viz. Mutual Fund, Insurance Company, Alternate Investment Fund (AIF) – Category I, II or III, Government (Central/ State Government), Foreign Portfolio Investor (FPI)/ Foreign Institutional Investor (FII), Foreign Company, Individual, Hindu Undivided Family (HUF), Firm, Limited Liability Partnership (LLP), Association of Persons (AOP), Body of Individuals (BOI) or Artificial Juridical Person, Trust, Domestic Company, etc.;
  - Email Address;
  - Mobile number;
  - Bank account details; and
  - Address with PIN code (including country).
4. Following additional documents are to be submitted by the shareholders holding shares in physical form:
  - scanned copy of cancelled cheque leaf of the above-mentioned bank account (In case the cancelled cheque leaf does not bear your name, please attach a copy of the bank pass-book statement, duly self-attested); and
  - self-attested copy of your PAN card.

This will facilitate receipt of dividend directly in your bank account.
5. Members holding shares in physical form are requested to send a communication duly signed by all the holder(s) intimating about the change of address, if any, immediately to the R&T agent / Company along with the self-attested copy of their PAN Card(s), unsigned copy of the Cheque leaf where an active Bank account is maintained and the copy of the supporting documents evidencing change in address. Communication details of R&T agent are as under:  
 Link Intime India Pvt. Ltd. Block No. 202, Akshay Complex, Off. Dhole Patil Road, Pune 411 001; Tel No: 02026160084  
 E-mail : [pune@linkintime.co.in](mailto:pune@linkintime.co.in).
6. In case, the Company is unable to pay the dividend to any shareholder by the electronic mode, due to non-availability of the details of the bank account, the Company shall dispatch the dividend warrant to such shareholder by post.
7. The Company is required to deduct Tax at Source (‘TDS’) in respect of approved payment of dividend to its shareholders (resident as well as non-resident). To give effect to the TDS provisions, the shareholders are required to upload / provide with the Registrar and Transfer Agent at <https://liiplweb.linkintime.co.in/formsreg/submission-of-form-15g-15h.html#> or on email to [investorsfeedback@praj.net](mailto:investorsfeedback@praj.net) the documents/ certificates/ declarations as stated in the ensuing paragraph and corresponding Annexures by the following dates:

Sr. No	Date of shareholding	Last date to submit details
1	Shareholders holding shares as on 28 <sup>th</sup> June, 2024 and continuing to be shareholders on 18 <sup>th</sup> July, 2024	10 <sup>th</sup> July, 2024
2	Shareholders acquiring shares in between 1 <sup>st</sup> July, 2024 to 18 <sup>th</sup> July, 2024	25 <sup>th</sup> July, 2024

No communication on the tax determination / deduction shall be entertained after the above-mentioned dates.

## 8. TDS Rates:

### 8.1 Resident Shareholders:

TDS at the rate of 10% under section 194 of the Act is subject to provisions of section 206AB of Act (effective from July 1, 2021) which introduces special provisions for TDS in respect of non-filers of income-tax return.

As provided in section 206AB of the Act, tax is required to be deducted **at the highest of the following rates** in case of payments to specified persons:

- at twice the rate specified in the relevant provision of the Act; or
- at twice the rate or rates in force; or
- at the rate of 5%.

Where sections 206AA and 206AB are applicable simultaneously i.e., in a case where the specified person has not submitted the PAN as well as not filed returns, tax shall be deducted at the higher of the rates prescribed in these two sections.

The term 'specified person' is defined in sub section (3) of section 206AB of the Act as a person who satisfies the following conditions:

- A person who has not filed the income tax return for the previous year immediately prior to the year in which tax is required to be deducted, for which the time limit of filing of return of income under section 139(1) of the Act has expired; and
- The aggregate of TDS and TCS in his case is ₹50,000 or more in such previous year.

A non-resident who does not have a permanent establishment in India is excluded from the scope of a specified person.

In order to check the status of specified person, the Company would rely on the details available on the online portal of the Income tax Department and shall accordingly determine the applicable TDS rate. The Company shall not rely on any declaration in relation to non-applicability of provisions of section 206AB of the Act.

Further, no tax shall be deducted at source on the dividend payable to a resident individual if the total dividend to be received by the said resident individual from the Company during the financial year does not exceed ₹5,000.

Tax will not be deducted at source in cases where a shareholder provides Form 15G (where applicable) / Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions are met.

Blank Form 15G and 15H can be downloaded from the link given at the end of this communication. Please note that all fields mentioned in the Form are mandatory and the Company may reject the forms submitted, if it does not meet the requirement of the law.

NIL / lower tax shall be deducted on the dividend payable to following resident shareholders on submission of self-declaration (as per formats attached) enclosed as **Annexure - A (Part 1)** herewith:

- i. Insurance companies;
- ii. Mutual Funds;
- iii. Category I/ Category II Alternative Investment Fund (AIF) established in India;
- iv. New Pension System Trust;
- v. Other exempt shareholders; and
- vi. Government

The above referred documents submitted by you will be verified by us and we will consider the same while deducting the appropriate taxes, if any, provided that these documents are in accordance with the provisions of the Act.

### 8.2 Non-resident Shareholders:

Tax is required to be deducted at source in the case of non-resident shareholders in accordance with the provisions of section 195 of the Act at the rates in force. As per the relevant provisions of the Act, the TDS on dividend shall be @ 20% or applicable rate under the DTAA plus applicable surcharge and health & education cess on the amount of dividend payable to the non-resident shareholders. For FII/ FPI shareholders, section 196D provides for TDS @ 20% or applicable rate under the DTAA plus applicable surcharge and health & education cess.

However, as per section 90 of the Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) read with applicable Multilateral Instrument (MLI) provisions, if they are more beneficial to them.

In order to claim the benefit of the DTAA, non-resident shareholders will have to provide required documents/ declarations. A list of such documents/ declarations required to be provided by the shareholders is enclosed as **Annexure - A (Part 2)** herewith.

Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by non-resident shareholders and meeting the requirement of the Act read with applicable DTAA. In absence of the same, the Company will not be obligated to apply the beneficial DTAA rate at the time of tax deduction on dividend.

The above referred documents submitted by you will be verified by us and we will consider the same while deducting the appropriate taxes, if any, provided that these documents are in accordance with the provisions of the Act.

- (i) In addition to the above, please note the following:
- In case you hold shares under multiple accounts under different status/ category but under a single PAN, the highest rate of tax as applicable to the status in which shares held under the said PAN will be considered on the entire holding in different accounts.
  - In case of joint shareholding, the withholding tax rates shall be considered basis the status of the primary beneficial shareholder.
  - For deduction of tax at source, the Company would be relying on the above data shared by Link Intime as updated up to the record date.
- (ii) It may be further noted that in case tax on dividend is deducted at a higher rate in the absence of receipt of any of the details/ valid documents mentioned in preceding paragraphs from the shareholders within the timeline mentioned above, the shareholders may consider claiming appropriate refund, as may be eligible in their return of income. No claim shall lie against the Company for such taxes deducted. The Company shall arrange to email the soft copy of the TDS certificate to shareholders at the registered email ID within the prescribed time, post payment of the said dividend, if approved in the AGM. The tax credit can also be viewed in Form 26AS by logging in with your credentials (with valid PAN) at TRACES <https://contents.tdscpc.gov.in/> or the e-filing website of the Income Tax department of India Home | Income Tax Department.
- (iii) Please note dividend shall be paid to the shareholders as per the details provided to the Company by Link Intime as at the close of business hours on the record date and TDS will be deducted accordingly, subject to declarations received by the Company in this regard.
- (iv) NIL / lower tax shall be deducted on the dividend payable to resident as well as non-resident shareholders who have provided a valid certificate issued under section 197 of the Act for nil/ lower rate of deduction or an exemption certificate issued by the income tax authorities along with Declaration. Also, please provide valid declaration under Rule 37BA of the Income Tax Rules in case of Joint shareholders, Minor shareholders, etc. in case the dividend income is assessable for tax in the hands of person, other than the person whose name appears in the shareholder register as on the record date.
- (v) In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Shareholder/s, such Shareholder/s will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operate in any assessment/ appellate proceedings before the Tax/ Government authorities.

The Company will be sending out individual communication to you through Link Intime. In the communication, step by step procedure for sharing/ uploading the aforementioned documents will be provided.

Kindly note that the aforementioned documents are required to be uploaded before 19th July, 2024 with Link Intime India Pvt. Ltd., the R&T Agent at <https://liiplweb.linkintime.co.in/formsreg/submission-of-form-15g-15h.html#>

You can also visit their site at <https://www.linkintime.co.in> under tab – Resources-> Downloads-> General to download the documents as applicable.

9. **UPDATION OF BANK ACCOUNT DETAILS:**

While on the subject, we request you to submit / update your bank account details with your Depository Participant, in case you are holding shares in the electronic form. In case your shareholding is in the physical form, you will have to submit a scanned copy of a covering letter, duly signed by you, along with a cancelled cheque leaf with your name and bank account details and a copy of your PAN card duly self-attested. This will facilitate receipt of dividend directly into your bank account. In case the cancelled cheque leaf does not bear your name, please attach a copy of the bank pass-book statement, duly self-attested.

10. The Company shall arrange to email the soft copy of TDS certificate at the registered email ID of members post payment of the dividend.
11. No claim shall lie against the Company for such taxes deducted.
12. For further information, Members are requested to refer to the email communication sent to them in this regard.

By **Order of the Board of Directors**

**Anant Bavare**  
**Company Secretary &**  
**Compliance Officer**  
**(M. No.: 21405)**

**Place: Pune**  
**Date: 30<sup>th</sup> May, 2024**

## ANNEXURE - A

### List of documents to be submitted for determination of appropriate rate of deduction of tax at source

#### Part 1 - Resident Shareholders

##### Individual Resident Shareholders

- Lower or nil withholding tax certificate under section 197 of the Income-tax Act, 1961 ('the Act'), if any.
- Form 15G/ 15H [as prescribed under sections 197A(1) and 197A(1C) of the Act, respectively]. Click here for the format of Form 15G/ 15H.
- Declaration under Rule 37BA of the Income-tax Rules, 1962 ('the Rules') in case of Joint shareholders, Minor shareholders, Clearing Members, etc. Click here for the format of the self-declaration.

Note: No tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received during a financial year does not exceed Rs. 5,000.

##### Non-individual Resident Shareholders

- Lower or nil withholding tax certificate under section 197 of the Act, if any
- Form 15G [as prescribed under sections 197A (1) of the Act] applicable in case of HUF. Click here for the format of Form 15G.

##### Additional documents for following categories of shareholders:

Categories of resident shareholders	Documents required
Insurance Companies	Registration certificate along with declaration that you are an Insurance company as defined under the second proviso to section 194 of the Act
Mutual Funds	Certificate of registration under section 10(23D) of the Act issued by the appropriate authority
Category I/ Category II Alternative Investment Fund	Certificate of registration/ declaration evidencing that you are a Category I/ Category II Alternative Investment Fund, as defined under Section 10(23FBA) and clause (a) of Explanation 1 to Section 115UB of the Act [covered by Notification No. 51/2015 dated June 25, 2015]
National Pension Scheme Trust	Registration certificate/ declaration that you qualify as NPS Trust for the purpose of section 197A(1E) of the Act, and that your income is eligible for exemption under section 10(44) of the Act
Entities unconditionally exempt under section 10 and not required to file a return of income	Documentary evidence and self-declaration substantiating that you are an entity covered by Circular No. 18 of 2017 issued by the Central Board of Direct Taxes and that your income is unconditionally exempt under section 10 of the Act and that you are not statutorily required to file a return of income under section 139 of the Act
Government	Documentary evidence and self-declaration that you are a Corporation set up under a specific legislation whose income is exempt from income-tax and can be considered as 'Government' and qualify for exemption under section 196 of the Act

## Part 2 - Non-Resident Individuals/ Foreign Nationals/ Foreign Corporate Bodies, Foreign Banks, OCBs, FPI/ FIIs

- Copy of lower or nil withholding tax certificate under section 197 of the Act, if any.

**OR**

- Copy of the PAN Card (duly attested) allotted by the Indian Income-tax authorities.
- Copy of Tax Residence Certificate (TRC) (of FY 2023-24 or calendar years 2023 and 2024, valid as on record date) obtained from the tax authorities of the country of which the shareholder is resident. In case, the TRC is furnished in a language other than English, the said TRC would have to be translated from such other language to English language and thereafter, duly notarized and an apostilled copy of the TRC would have to be provided.
- Self-declaration by the non-resident shareholder in the prescribed format. [Click here for the format of the self-declaration.](#)
- Self-declaration in Form 10F. [Click here for the format of Form 10F.](#)
- Self-declaration to be provided under Rule 37BC(2) of the Rules (in case PAN is not available). [Click here for the format of the self-declaration.](#)
- Declaration under Rule 37BA of the Rules – in case of Joint shareholders, Minor shareholders etc. [Click here for the format of the self-declaration.](#)









Village Ulup, District Dharashiv (Osmanabad)



Village Chaukawadi, District Sambhaji Nagar (Aurangabad)



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