

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2020, PREPARED IN COMPLIANCE WITH THE INDIAN ACCOUNTING STANDARDS (IND AS)

(Rupees in crores except per share data)

Sr. No.	Particulars	Quarter ended			Year ended	
		31 March 2020	31 December 2019	31 March 2019	31 March 2020	31 March 2019
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	INCOME					
	Revenue from operations	244.17	261.25	308.33	941.85	923.27
	Other income	10.00	5.48	6.74	29.87	21.92
	Total income	254.17	266.73	315.07	971.72	945.19
2	EXPENSES					
	Cost of materials consumed	115.71	135.85	174.06	478.96	505.88
	Changes in inventories of finished goods and work-in-progress	2.32	0.65	1.23	1.64	(2.66)
	Employee benefits expense	27.16	36.58	32.35	133.87	132.40
	Finance costs	0.61	0.61	0.16	2.45	0.68
	Depreciation and amortisation expense	4.72	4.66	4.60	18.80	19.99
	Exchange (gain) / loss	(0.40)	(1.31)	(5.28)	(3.91)	(6.46)
	Other expenses	75.23	63.99	68.24	252.60	214.43
	Total expenses	225.35	241.03	275.36	884.41	864.26
3	Profit before exceptional items and tax (1-2)	28.82	25.70	39.71	87.31	80.93
4	Exceptional items- Impairment of investment in subsidiary	9.76	-	-	9.76	-
5	Profit before tax (3-4)	19.06	25.70	39.71	77.55	80.93
6	Tax expense					
	Current tax	5.86	5.04	10.06	17.34	15.85
	Deferred tax	(1.42)	(0.68)	(2.39)	(4.49)	2.67
	Adjustments of tax relating to earlier periods	0.37	(0.38)	-	(0.01)	-
	Total tax expense	4.81	3.98	7.67	12.84	18.52
7	Profit for the period (5-6)	14.25	21.72	32.04	64.71	62.41
8	Other comprehensive income					
	Items that will not be reclassified to profit and loss:					
	Re-measurement of defined benefit plans	(0.20)	(1.50)	0.39	(1.81)	0.68
	Income tax effect	0.07	0.53	(0.14)	0.63	(0.24)
	Other comprehensive income	(0.13)	(0.97)	0.25	(1.18)	0.44
9	Total comprehensive income for the year (7+8)	14.12	20.75	32.29	63.53	62.85
	Earnings per equity share (Nominal value per share Rs. 2 each)					
	Basic	0.78	1.19	1.76	3.54	3.43
	Diluted	0.78	1.19	1.76	3.53	3.42

Notes:

- The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 26 May 2020.
- The figures for the quarter ended 31 March 2020, as reported in the financial results, are the balancing figures between the audited figures in respect of the full financial year and published figures of nine months ended 31 December 2019. The figures for the nine months ended 31 December 2019 have been subjected to limited review by the statutory auditors.
- The Company operates only in one segment, i.e. "Process and Project Engineering".
- During the quarter ended 31 March 2020, Company allotted 170,699 equity shares to its employees under Employee Stock Option Plan.
- Under the exceptional items, the Company has made a provision for impairment of investment in its 100% subsidiary in South Africa.
- Effective 1 April 2019, the Company has adopted Ind AS 116 "Leases" using modified retrospective approach and applied the Standard to its leases retrospectively and has recognised the effect of the cumulative adjustment in the opening balance of retained earnings, on date of initial application (1 April 2019). Accordingly, comparatives for the period prior to the current quarter / year have not been restated.
- The global economic and business environment has been highly disruptive due to Covid-19 pandemic. As a result, the operations of the Company were halted from 24th March, 20. The Company has evaluated the impact of Covid 19 on the operations of the Company, order booking and revenue, cash flow, assets and liabilities and factored in the impact of it upto the date of approval of these financial results on the carrying value of its assets and liabilities. Even though, it is very difficult to predict the duration of the disruption and severity of its impact, on the basis of evaluation of overall economic environment, outstanding order book, liquidity position, debt free status, recoverability of receivables, the Company expects to recover the carrying amount of these assets and currently does not anticipate any further impairment of it. Based on the opening of economic activity, the Company has partially started operations at all of its factories and also at its R & D Centre, Matrix in a phased manner from 21st April, 2020.
- Prior year comparatives are regrouped / reclassified wherever necessary to conform to current period's presentation.

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2020, PREPARED IN COMPLIANCE WITH THE INDIAN ACCOUNTING STANDARDS (IND AS)..... CONTD.

STATEMENT OF ASSETS AND LIABILITIES

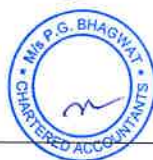
(Rupees in crores)

Particulars	As at	
	31 March 2020	31 March 2019
	(Audited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	196.25	194.95
Capital work-in-progress	2.08	2.23
Investment property	13.69	13.69
Intangible assets	0.76	0.81
Financial assets		
Investments	197.37	212.13
Loans	4.95	4.05
Others	6.07	20.00
Deferred tax assets (net)	12.64	5.38
Other assets	2.20	3.64
	436.01	456.88
Current assets		
Inventories	72.86	104.19
Financial assets		
Investments	115.01	162.40
Trade receivables	265.72	227.76
Cash and cash equivalents	21.58	33.62
Other bank balances	1.52	21.15
Loans	0.01	0.16
Others	4.25	6.68
Current tax asset (net)	3.21	3.75
Other assets	142.55	150.07
	626.71	709.78
TOTAL ASSETS	1,062.72	1,166.66
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	36.63	36.53
Other equity	667.72	699.64
TOTAL EQUITY	704.35	736.17
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Other financial liabilities	13.89	-
Provisions	16.16	15.03
	30.05	15.03
Current liabilities		
Financial liabilities		
Borrowings		
Trade payables	149.25	189.02
Other financial liabilities	13.76	14.35
Other current liabilities	159.62	200.71
Provisions	5.69	11.38
	328.32	415.46
TOTAL LIABILITIES	358.37	430.49
TOTAL EQUITY AND LIABILITIES	1,062.72	1,166.66



AUDITED STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

Particulars		31 March 2020	31 March 2019
A.	Cash flow from operating activities		
	Net profit before tax	77.55	80.93
	Adjustments for:		
	Loss / (profit) on sale of property, plant and equipment	-	0.07
	Gain on redemption of mutual fund investments	(3.81)	(10.53)
	Gain on redemption of bonds	(0.43)	-
	Bad debts / provision for doubtful debts and advances	17.18	16.80
	Excess provision / creditors written back (including advances)	(0.11)	(0.51)
	Unrealised foreign exchange (gain) / loss (net)	(0.23)	(3.84)
	Depreciation and amortisation	18.80	19.99
	Interest earned	(8.81)	(6.45)
	Provision for Impairment	9.76	-
	Unrealised gain on mutual fund investments	(7.12)	(2.05)
	Dividend from mutual fund investments/ Subsidiary	(5.47)	(0.01)
	Interest on Lease Liability	1.84	-
	Interest expense	0.00	0.00
	Equity-settled share-based payment transactions	1.38	3.00
	Operating profit before working capital changes	100.53	97.40
	Changes in working capital		
	Decrease/ (increase) in trade receivables	(51.49)	(61.17)
	(Increase)/decrease in inventories (including contracts in progress)	50.85	(82.28)
	(Increase)/decrease in non-current loans	(0.90)	0.17
	(Increase)/decrease in other non-current financial assets	13.93	(20.00)
	Decrease/(increase) in other non-current assets	(0.13)	0.31
	Decrease/(increase) in current loans	0.14	(0.09)
	(Increase)/decrease in current financial assets-others	(0.01)	(0.04)
	Decrease/(increase) in other current assets	13.10	(18.20)
	(Decrease)/increase in trade payables	(41.19)	56.49
	(Decrease) in other current financial liabilities	(6.98)	4.66
	(Decrease)/increase in other current liabilities	(41.11)	40.05
	(Decrease)/Increase in long term provisions	(0.68)	0.49
	(Decrease)/Increase in short term provisions	(5.69)	3.75
	Cash generated from operations	30.37	21.54
	Direct taxes paid (including taxes deducted at source), net of refunds	(16.80)	(17.23)
	NET CASH FROM OPERATING ACTIVITIES	13.57	4.31
B.	Cash flow from investing activities		
	Purchase of property, plant and equipment and intangible assets	(6.05)	(11.87)
	Investments:		
	- in mutual funds	(65.00)	(139.53)
	- in debentures & bonds	-	(34.81)
	Sale of investments		
	- in mutual funds	118.32	188.58
	- in debentures and bonds	5.43	-
	Proceeds from sale of property, plant and equipment	0.29	0.29
	Interest received on investments	9.20	3.73
	Dividend received on investments/ from subsidiary	-	0.01
	(Investment) /redemption in fixed deposits	5.00	(10.00)
	NET CASH FROM / (USED) IN INVESTING ACTIVITIES	67.19	(3.60)
C.	Cash flow from financing activities		
	Proceeds from exercise of employee stock options	2.56	8.89
	Dividend paid including dividend distribution tax	(94.95)	(46.33)
	(Decrease)/Increase in short term borrowings	(0.04)	(0.04)
	Interest on Lease Liability	(1.84)	-
	Principal payment on Leases	(2.11)	-
	Interest paid	(0.00)	(0.00)
	NET CASH FROM / (USED) IN FINANCING ACTIVITIES	(96.38)	(37.48)
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	(15.62)	(36.77)
	Cash and cash equivalents at the beginning of the year	33.62	67.69
	Add: effect of exchange rate changes on cash and cash equivalents	3.58	2.70
	Cash and cash equivalents at the end of the year	21.58	33.62



Shishir Joshipura

SHISHIR JOSHIPURA
CEO AND MANAGING DIRECTOR
DIN: 00574970

Independent Auditor's Report on Audited standalone Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS OF PRAJ INDUSTRIES LIMITED
Report on the audit of the Standalone Financial Results**

Opinion

We have audited the accompanying standalone quarterly and annual financial results of Praj Industries Limited (the company) for the quarter ended 31st March 2020 and the year to date results for the period from 1st April 2019 to 31st March 2020, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us these standalone financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the quarter ended 31st March 2020 as well as the year to date results for the period from 1st April 2019 to 31st March 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Results* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 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.

Management's Responsibilities for the Standalone Financial Results

These quarterly financial results as well as the year to date standalone financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the accounting principles generally accepted in India including The Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rule 2015 (as amended) under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone financial results 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 results.

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 results, 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results 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 results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

The quarterly standalone financial results for the period ended March 31, 2020 are the derived figures between the audited figures in respect of the year ended March 31, 2020 and the published year-to-date

M/s P. G. BHAGWAT

CHARTERED ACCOUNTANTS

figures up to December 31, 2019, being the date of the end of the third quarter of the current financial year, which were subjected to limited review as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For M/s. P.G.Bhagwat
Chartered Accountants
(Firm's Registration No 101118W.)



Sandeep Rao

Partner

M.No, 47235

Pune: 26th May, 2020

UDIN: 20047235AAAABG7933