

## INDEPENDENT AUDITORS' REPORT

To  
The Board of Directors of Praj Industries Limited

### Report on the Audit of Consolidated Financial Results

#### Opinion

We have audited the accompanying Consolidated Financial Results 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") for the year ended March 31, 2024, attached herewith, being submitted by the Holding 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, and based on the consideration of reports of other auditors on separate financial results, these Consolidated Financial Results:

- a. include the results of the following entities
  - A. Subsidiaries
    - i. Praj HiPurity Systems Limited
    - ii. Praj Far East (Philippines) Limited Inc.
    - iii. Praj Engineering & Infra Limited
    - iv. Praj Far East Co. Limited
    - v. Praj Americas Inc.
    - vi. Praj GenX Limited (from 15<sup>th</sup> March 2023)
- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- c. give a true and fair view in conformity with the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Group for the year ended March 31, 2024.

#### 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 ("Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results 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

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Consolidated Financial Results 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 by the other auditors referred to in the "Other Matter" paragraph, is sufficient and appropriate to provide a basis for our opinion.

#### **Board of Directors' Responsibilities for the Consolidated Financial Results**

The Holding Company's Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group 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 and in compliance with Regulation 33 of the Listing Regulations.

The respective Board of Directors of the companies in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Results 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 Results by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Results, 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 the respective Board of Directors either intends to liquidate the companies in the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies in the Group are responsible for overseeing the financial reporting process of the Group.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated 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 Consolidated 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 purposes of expressing an opinion on the effectiveness of the Group'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 ability of the Group 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 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Results, including the disclosures, and whether the Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the Group to express an opinion on the Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Consolidated Financial Results of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and other companies included in the Consolidated Financial Results 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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, if and to the extent applicable.





### Other Matters Paragraphs

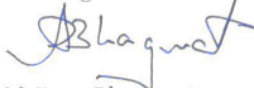
1. We did not audit the financial statements/results/information of two subsidiaries included in the Consolidated Financial Results, whose financial statements/results/information reflect total assets of Rs. 76.938 million as at March 31, 2024, revenues from operation of Rs. 27.981 million, total comprehensive 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/results/information 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 Results, 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/results/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/results/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.

2. The quarterly Consolidated Financial Results for the period ended March 31, 2024 are the derived figures between the audited figures in respect of the year ended March 31, 2024 and the published year-to-date figures up to December 31, 2023, being the date of the end of the third quarter of the current financial year, which were subjected to limited review as required under the Listing Regulations.

Our opinion on the Consolidated Financial Results 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.

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

  
Abhijeet Bhagwat

Partner

Membership Number: 136835  
UDIN: 24136835BKBGVX5569



Pune

May 30, 2024



**AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2024.**

*(Rupees in million except per share data)*

Sr. No.	Particulars	Quarter ended			Year ended	Year ended
		31 March 2024	31 December 2023	31 March 2023	31 March 2024	31 March 2023
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
<b>1</b>	<b>INCOME</b>					
	Revenue from operations	10,185.646	8,286.226	10,039.845	34,662.784	35,280.378
	Other income	114.295	90.644	161.953	434.986	356.008
	<b>Total income</b>	<b>10,299.941</b>	<b>8,376.870</b>	<b>10,201.798</b>	<b>35,097.770</b>	<b>35,636.386</b>
<b>2</b>	<b>EXPENSES</b>					
	Cost of materials consumed	5,357.638	4,403.259	5,937.019	19,121.693	22,291.935
	Changes in inventories of finished goods and work-in-progress	383.647	92.537	(11.697)	499.463	(277.581)
	Employee benefits expense	818.832	851.987	704.745	3,187.354	2,575.915
	Finance costs	38.249	38.394	22.385	97.883	46.289
	Depreciation and amortisation expense	153.308	108.513	94.765	440.559	302.471
	Exchange (gain) / loss	(45.591)	(10.852)	(38.170)	(159.606)	(102.020)
	Other Expenses	2,363.621	1,973.815	2,364.618	8,135.816	7,612.128
	<b>Total expenses</b>	<b>9,069.704</b>	<b>7,457.653</b>	<b>9,073.665</b>	<b>31,323.162</b>	<b>32,449.137</b>
<b>3</b>	<b>Profit before exceptional items and tax (1-2)</b>	<b>1,230.237</b>	<b>919.217</b>	<b>1,128.133</b>	<b>3,774.608</b>	<b>3,187.249</b>
<b>4</b>	<b>Exceptional Items</b>	-	-	-	-	-
<b>5</b>	<b>Profit before tax (3-4)</b>	<b>1,230.237</b>	<b>919.217</b>	<b>1,128.133</b>	<b>3,774.608</b>	<b>3,187.249</b>
<b>6</b>	<b>Tax expense</b>					
	Current tax	301.961	198.495	379.533	917.606	874.854
	Deferred tax	33.587	14.944	(132.551)	46.130	(85.497)
	Adjustments of tax relating to earlier periods	(24.672)	1.635	-	(23.037)	(0.290)
	<b>Total tax expense</b>	<b>310.876</b>	<b>215.074</b>	<b>246.982</b>	<b>940.699</b>	<b>789.067</b>
<b>7</b>	<b>Profit for the year (5-6)</b>	<b>919.361</b>	<b>704.143</b>	<b>881.151</b>	<b>2,833.909</b>	<b>2,398.182</b>
<b>8</b>	<b>Attributable to :</b>					
	Non-controlling interest	0.040	0.061	0.084	0.349	0.241
	Equity holder's of parents	919.321	704.082	881.067	2,833.560	2,397.941
<b>9</b>	<b>Other comprehensive income</b>					
	<b>Items that will not be reclassified to profit and loss:</b>					
	Re-measurement of defined benefit plans	(16.398)	0.385	2.972	(59.815)	(21.372)
	Income tax effect	2.473	(0.185)	(0.748)	12.388	5.366
	<b>Items that will be reclassified to profit or loss :</b>					
	Debt instruments through other comprehensive income	(1.087)	(0.031)	(5.261)	0.249	(5.261)
	Income tax effect	0.273	0.008	1.324	(0.063)	1.324
	Exchange differences on translation of foreign operations	(2.695)	3.694	1.260	(2.720)	3.612
	<b>Other comprehensive income</b>	<b>(17.434)</b>	<b>3.871</b>	<b>(0.453)</b>	<b>(49.961)</b>	<b>(16.331)</b>
<b>10</b>	<b>Total comprehensive income for the year (7+9)</b>	<b>901.927</b>	<b>708.014</b>	<b>880.698</b>	<b>2,783.948</b>	<b>2,381.851</b>
<b>11</b>	<b>Attributable to :</b>					
	Non-controlling interest	0.040	0.061	0.084	0.349	0.241
	Equity holders of parents	901.887	707.953	880.614	2,783.599	2,381.610
	<b>Earnings per equity share (Nominal value per share Rs. 2 each)</b>					
	Basic	5.00	3.83	4.80	15.42	13.05
	Diluted	5.00	3.83	4.79	15.42	13.05

**Notes:**

- The above results were reviewed by the Audit Committee on 29 May 2024 and approved by the Board of Directors on 30 May 2024.
- The figures for the quarter ended 31 March 2024, 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 2023 which were subjected to limited review by the statutory auditors.
- The group operates only in one segment, i.e. "Process and Project Engineering".
- During the Year ended 31st March 2024, Parent Company allotted 1,00,000 equity shares to its employees under Employee Stock Option Plan.
- The Board of Directors proposed a final dividend of Rs 6 per equity share @ 300 % of the face value of Rs 2 per equity share, for the financial year ended 31 March 2024, which is subject to the approval of shareholders at the forthcoming Annual General Meeting.
- The audited standalone financial results of the Company are prepared in accordance with applicable accounting standards i.e. Ind AS, as prescribed under section 133 of the Companies Act, 2013 read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 as amended.

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2024.

STATEMENT OF ASSETS AND LIABILITIES

(Rupees in Million)

Particulars	As at	As at
	31 March 2024	31 March 2023
	(Audited)	(Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	4,071.858	2,365.992
Capital work-in-progress	31.991	68.724
Investment property	-	136.928
Goodwill	626.150	626.150
Intangible assets	46.009	39.170
Intangible assets under development	401.546	0.763
Financial assets		
Investments	945.390	844.534
Others	421.435	123.367
Deferred tax assets (net)	90.704	111.470
Other assets	79.800	49.761
<b>Total non-current assets</b>	<b>6,714.883</b>	<b>4,366.859</b>
<b>Current assets</b>		
Inventories	2,208.522	3336.241
Financial assets		
Investments	4,021.333	4584.407
Trade receivables	8,359.836	7948.334
Cash and cash equivalents	1,684.158	985.814
Other bank balances	442.900	462.381
Others	153.027	187.108
Current tax asset (net)	84.798	54.059
Other assets	5,148.030	4261.465
Asset classified as held for sale	136.928	-
<b>Total current assets</b>	<b>22,239.532</b>	<b>21,819.809</b>
<b>TOTAL ASSETS</b>	<b>28,954.415</b>	<b>26,186.668</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity share capital	367.626	367.426
Other equity	12,377.073	10,412.558
Sub-total - total equity attributable to parent	12,744.699	10,779.984
Non-controlling interests	0.999	0.688
<b>TOTAL EQUITY</b>	<b>12,745.698</b>	<b>10,780.672</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Lease Liability	1,417.185	262.692
Other financial liabilities	6.393	6.393
Provisions	180.915	131.590
Deferred tax liabilities (net)	13.032	-
<b>Total non-current liabilities</b>	<b>1,617.525</b>	<b>400.675</b>
<b>Current liabilities</b>		
Financial liabilities		
Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises	890.872	1,166.635
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	4,076.696	3,883.522
Lease Liability	276.138	158.757
Other financial liabilities	631.132	388.529
Other current liabilities	7,929.017	8,640.728
Provisions	579.225	439.803
Current tax liabilities (net)	208.112	327.347
<b>Total current liabilities</b>	<b>14,591.192</b>	<b>15,005.321</b>
<b>TOTAL LIABILITIES</b>	<b>16,208.717</b>	<b>15,405.996</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>28,954.415</b>	<b>26,186.668</b>

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2024.

AUDITED CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

(Rupees in Million)

	Particulars	31 March 2024	31 March 2023
<b>A</b>	<b>Cash flow from operating activities</b>		
	<b>Net profit before tax</b>	3,774.608	3,187.249
	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>4,009.586</b>	<b>3,468.192</b>
	Changes in working capital		
	(Increase) /decrease in trade receivables	(600.774)	(3,060.416)
	(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>3,038.397</b>	<b>2,246.516</b>
	Direct taxes paid (including taxes deducted at source), net of refunds	(1,044.543)	(625.195)
	<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>1,993.854</b>	<b>1,621.321</b>
<b>B</b>	<b>Cash flow from investing activities</b>		
	Purchase of property, plant and equipment and intangible assets	(892.738)	(352.005)
	Investments:		
	- in mutual funds	(4,003.211)	(4,231.505)
	- in debentures & bonds	(347.079)	(883.252)
	- in mutual funds	5,111.577	4,134.858
	- 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</b>	<b>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>(1,238.889)</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</b>	<b>985.814</b>	<b>1,074.563</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</b>	<b>1,684.158</b>	<b>985.814</b>

*S. Joshipura*

SHISHIR JOSHIPURA  
CEO AND MANAGING DIRECTOR  
DIN: 00574970

Place : Pune  
Date : 30th May 2024

*MS*