P G BHAGWAT LLP
Chartered Accountants
LLPIN: AAT-9949

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INDEPENDENT AUDITORS' REPORT

To the Members of
Praj Engineering & Infra Limited

Report on the Audit of the Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profit (including 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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Board of Directors' Report along with its Annexures (together referred to as "the other information") included in the Annual Report but does not include the Financial Statements and our Auditor's Report thereon. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have

performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with respect to the Financials 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 Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A; a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2 i) (vi) below on reporting under Rule 11(g).

   c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With reference to the maintenance of accounts and other matters connected therewith, refer to our comment in Paragraph 2 (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 Financials 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 the information and explanations provided to us, the remuneration paid by the Company to its manager is in accordance with the provisions of section 197 of the Act and remuneration paid to manager is not in excess of the limit laid down under this section. No remuneration is paid to directors.

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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company did not have any pending litigations that would have an impact on its financial position for year ended March 31, 2025.

(ii) The Company has made provision, as required under any law or accounting standards, for material foreseeable losses, if any, on long term contracts. The Company did not have any derivative contracts.

(iii) There are no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

(iv) (a) The Management has represented to us that, to the best of its knowledge and belief, 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 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 32 (vii) to the Financial Statements.

(b) the Management has represented to us, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 32 (vii) to the 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 as mentioned under sub-clause (iv)(a) and (iv)(b) above contains any material misstatement.

(v) The Company has not declared and paid dividend during the year. Accordingly reporting on compliance with Section 123 of the Act is not applicable.

(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.

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

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

Sd/-
Abhijeet Bhagwat
Partner
Membership Number: 136835
UDIN: 25136835BMLYRQ1262

Pune
April 24, 2025

Annexure A to the Independent Auditors' Report

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

(i) (a) (A) The Company does not have any property, plant and equipment as of March 31, 2025. Accordingly, reporting on clause (i) (a) to (d) of the Order is not applicable.

(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 Company is in the business of erection, commissioning and sub-contracting work and does not hold any inventory. Accordingly, reporting on clause (ii) (a) of the Order is not applicable.

(b) According to the information and explanations provided to us, the Company has not 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. Accordingly, reporting on clause (ii) (b) of the Order is not applicable.

(iii) According to the information and explanations provided to us, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year and does not have any opening loan balances. Accordingly, reporting on clause 3 (iii) (a), (c), (d), (e) and (f) of the Order is not applicable. The Company has made investments in corporate deposits of body corporates.

(b) According to information and explanation provided to us and in our opinion, the investments made by the Company during the year in the corporate deposits of body corporates are, prima facie; not prejudicial to the interest of the Company.

(iv) According to information and explanation provided to us, the Company has not granted any loans, made investments, provided guarantees and securities that are covered under the provisions of Sections 185 and 186 of the Act. Accordingly, reporting on clause 3 (iv) of the Order is not 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) According to information and explanation provided to us, maintenance of cost records under sub-section (l) of section 148 of the Act is not applicable. Accordingly, reporting on clause 3 (vi) of the Order is not applicable.

(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.

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, 2025, for a period of more than six months from the date they became payable.

(b) According to the information and explanation provided to us, there are no statutory dues referred to in clause (vii) (a) which have not been deposited because of any dispute.

(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) The Company does not have any loans or borrowings. Accordingly, reporting on clause 3 (ix) (c) of the Order is not applicable.

(d) On an overall examination of the Financial Statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting on clause 3 (ix) (e) of the Order is not applicable.

(f) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting on clause 3 (ix) (f) of the Order is not applicable.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, reporting on clause 3 (x) (a) of the Order is not applicable.

(b) 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 3 (x) (b) of the Order are 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 and no fraud on the Company has been noticed or reported 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, establishment of vigil mechanism is not mandated under the Act. Accordingly, reporting on clause 3 (xi) (c) of the Order is not applicable.

(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 24 to the Financial Statements.

(xiv) According to the information and explanations given to us, section 138 of the Act ,which mandates internal audit system, is not applicable to the Company. Accordingly, reporting on clause of the Order 3 (xiv) is not applicable.

(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. Accordingly, reporting on clause 3(xvi) (d) of the Order is not applicable.

(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 the 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 Registration Number: 101118W/W100682

Sd/-
Abhijeet Bhagwat
Partner
Membership Number: 136835
UDIN: 25136835BMLYRQ1262

Pune
April 24, 2025

Annexure B to the Independent Auditors' Report

Referred to in paragraph 2 (g) under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

Report on the Internal Financial Controls 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 Financials Statements of Praj Engineering & Infra Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company 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 Company's internal financial controls with reference to the Financials 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 Financials 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 adequacy of the internal financial controls with reference to the Financials Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Financials Statements included obtaining an understanding of internal financial controls with reference to the Financials 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 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 Financials Statements.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to the Financials 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 Financials Statements to future periods are subject to the risk that the internal financial control with reference to the Financials 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 Financials Statements and such internal financial controls with reference to the Financials Statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company 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

Sd/-
Abhijeet Bhagwat
Partner
Membership Number: 136835
UDIN: 25136835BMLYRQ1262

Pune
April 24, 2025

Praj Engineering and Infra Limited
Balance Sheet as on 31st March 2025
(All amounts are in Indian rupees million unless otherwise stated)

	Particulars	Note No.	31 March 2025	31 March 2024
	ASSETS			
(1)	**Non-current assets**			
	Property, plant and equipment		-	-
	Financial assets			
	Investments	3	100.000	-
	Other	4	3.054	2.568
	Deferred tax assets (net)	20	31.132	26.477
	Total non-current assets		**134.186**	**29.045**
(2)	**Current assets**			
	Financial assets			
	Investments	3	120.000	170.000
	Trade receivables	5	403.263	514.350
	Cash and cash equivalents	6	156.803	144.854
	Other bank balances	7	65.742	140.000
	Others	4	2.356	10.433
	Current tax asset (Net)		8.152	6.352
	Other current assets	8	177.459	167.530
	Total current assets		**933.775**	**1153.519**
	TOTAL ASSETS		**1067.961**	**1182.564**
	EQUITY AND LIABILITIES			
	Equity			
	Equity share capital	9	3.098	3.098
	Other equity	10	368.128	299.007
	Total equity		**371.226**	**302.105**
	LIABILITIES			
(1)	**Non-current liabilities**			
	Provisions	11	2.302	1.336
	Total non-current liabilities		**2.302**	**1.336**
(2)	**Current liabilities**			
	Financial liabilities			
	Trade payables	12		
	(i) Total outstanding dues of micro enterprises and small enterprises		12.169	12.766
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		238.315	304.068
	Other financial liabilities	13	13.406	6.568
	Other current liabilities	14	399.710	515.566
	Provisions	11	14.623	13.965
	Current tax liabilities (net)		16.210	26.190
	Total current liabilities		**694.433**	**879.123**
	Total liabilities		**696.735**	**880.459**
	TOTAL EQUITY AND LIABILITIES		**1067.961**	**1182.564**

Corporate information	1
Summary of material accounting policies	2
The accompanying notes are an integral part of the financial statements.	3 -35

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 Engineering and Infra Limited

Sd/-
Abhijeet Bhagwat
Partner
Membership No.: 136835
Place: Pune
Date: 24-04-2025

Sd/-
Shishir Joshipura
Director
(DIN : 00574970)
Place: Pune
Date: 24-04-2025

Sd/-
Sachin Raole
Director
(DIN : 00431438)

Praj Engineering and Infra Limited
Statement of Profit and Loss for the period ended 31st March 2025
(All amounts are in Indian rupees million unless otherwise stated)

Particulars	Note No.	31 March 2025	31 March 2024
Income			
Revenue from operations	15	1425.389	1688.098
Other income	16	23.677	26.757
Total income		1449.066	1714.855
Expenses			
Employee benefits expense	17	63.017	41.008
Finance costs	18	0.050	0.023
Depreciation		0.000	0.000
Other expenses	19	1289.105	1531.995
Total expenses		1352.172	1573.026
Profit/(loss)before exceptional items and tax		96.894	141.829
Profit / (loss) before tax		**96.894**	**141.829**
Tax expense	20		
(1) Current tax		30.270	37.435
(2) Deferred tax		(4.655)	(1.495)
(3) Adjustment of tax relating to earlier periods		1.999	0.153
Total tax expense		27.614	36.093
Profit (Loss) for the period from continuing operations		69.280	105.736
Profit/(loss) for the period		**69.280**	**105.736**
Other comprehensive income			
Items that will not be reclassified to profit and loss:			
Re-measurement of defined benefit plans		(0.159)	(0.295)
Income tax relating to items that will not be reclassified to profit or loss		0.000	0.000
Total other comprehensive income		(0.159)	(0.295)
Total comprehensive income for the period (Comprising of profit (loss) and other comprehensive Income for the period)		69.121	105.441
Earnings / (loss) per equity share	21		
(1) Basic		223.61	341.28
(2) Diluted		223.61	341.28
Corporate information	1		
Summary of material accounting policies	2		
The accompanying notes are an integral part of the financial statements.	3 -35		

As per our report of even date.

For P G BHAGWAT LLP
Chartered Accountants
Firm Regn. No: 101118W/W100682

Sd/-
Abhijeet Bhagwat
Partner
Membership No.: 136835
Place: Pune
Date: 24-04-2025

For and on behalf of the Board of Directors of Praj Engineering and Infra Limited

Sd/-
Shishir Joshipura
Director
(DIN : 00574970)

Sd/-
Sachin Raole
Director
(DIN : 00431438)

Place: Pune
Date: 24-04-2025

Praj Engineering and Infra Limited
Statement of Cash flows for the period ended 31st March 2025
(All amounts are in Indian rupees million unless otherwise stated)

		31 March 2025	31 March 2024
A.	**Cash flow from operating activities**		
	Profit / (loss) before tax	96.894	141.829
	Adjustments for:		
	Loss / (Profit) on sale of fixed assets		-
	Bad debts / Provision for doubtful debts	22.809	53.433
	Provision for doubtful advances	2.056	-
	Excess provision / creditors written back (including advances)	(2.881)	(1.809)
	Interest earned	(20.796)	(24.948)
	Operating profit before working capital changes	**98.082**	**168.505**
	Changes in working capital		
	(Increase) /decrease in trade receivables	88.278	(95.094)
	(Increase)/decrease in inventories (including contracts in progress)	(32.880)	3.520
	(Increase)/decrease in other non-current financial assets	(1.215)	(0.431)
	(Increase)/decrease in other current financial assets	0.000	0.023
	(Increase)/decrease in other current assets	20.895	(39.260)
	Increase/(decrease) in trade payables	(63.469)	79.975
	Increase/(decrease) in other current financial liabilities	6.838	4.781
	Increase/(decrease) in other current liabilities	(115.856)	(50.538)
	Increase/(decrease) in long term provisions	0.807	0.127
	Increase/(decrease) in Short term provisions	0.658	(7.229)
	Cash generated from operations	**2.138**	**64.379**
	Direct taxes paid (including taxes deducted at source), net of refunds	(44.049)	(33.681)
	NET CASH USED IN OPERATING ACTIVITIES	**(41.911)**	**30.698**
B.	**Cash flow from investing activities**		
	Investments:		
	- Investment in Equity shares	(100.00)	-
	Interest received on investments	28.873	22.771
	Withdrawal /(Investment) of fixed deposits (net)	74.987	37.520
	Withdrawal/(Investment) in Corporate deposits (net)	50.000	(70.000)
	NET CASH FROM / (USED) IN INVESTING ACTIVITIES	**53.860**	**(9.709)**
C.	**Cash flow from financing activities**	-	-
	NET CASH FROM / (USED) IN FINANCING ACTIVITIES	-	-
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**11.949**	**20.989**
	Cash and cash equivalents at the beginning of the year (Refer Note 6)	**144.854**	**123.865**
	Cash and cash equivalents at the end of the year (Refer Note 6)	**156.803**	**144.854**

Notes:
The cash flow statement has been prepared under the 'Indirect method' as set out in Ind AS 7 "Statement of Cash flows"

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 Engineering and Infra Limited

Sd/-
Abhijeet Bhagwat
Partner
Membership No.: 136835
Place: Pune
Date: 24-04-2025

Sd/-
Shishir Joshipura
Director
(DIN : 00574970)
Place: Pune
Date: 24-04-2025

Sd/-
Sachin Raole
Director
(DIN : 00431438)

Praj Engineering and Infra Limited
Statement of changes in equity for the period ended 31st March 2025
(All amounts are in Indian rupees million unless otherwise stated)

A. Equity share capital

Balance as at 1 April 2024	Changes in equity share capital during the year	Balance as at 31 March 2025
3.098	-	3.098

B. Other equity

Particulars	Reserves and surplus		Total
	General reserve	Retained earnings	
Balance as at 31 March 2023	**0.230**	**193.336**	**193.566**
Profit / (loss) for the year	-	105.736	105.736
Other comprehensive income for the year	-	(0.295)	(0.295)
Balance as at 31 March 2024	**0.230**	**298.777**	**299.007**
Profit / (loss) for the year	-	69.280	69.280
Other comprehensive income for the year	-	(0.159)	(0.159)
Balance as at 31 March 2025	**0.230**	**367.898**	**368.128**

Corporate information	1
Summary of material accounting policies	2
The accompanying notes are an integral part of the finar	3 -35

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 Engineering and Infra Limited

Sd/-
Abhijeet Bhagwat
Partner
Membership No.: 136835

Place: Pune
Date: 24-04-2025

Sd/-
Shishir Joshipura
Director
(DIN : 00574970)

Sd/-
Sachin Raole
Director
(DIN : 00431438)

Place: Pune
Date: 24-04-2025

1 The corporate overview

Praj Engineering and Infra Limited ('PEIL' 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 "Praj Tower", S. No. 274 and 275/2, Bhumkar Chowk-Hinjewadi Road, Hinjewadi, Pune – 411057, Maharashtra, India.

The company is engaged in the business of erection, commissioning, and subcontracting works.

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 financial statements were authorised for issue by the Board of Directors on 24 April 2025.

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 and loss	Fair value
Certain non-derivative financial instruments at fair value through profit and 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 are presented in millions and are rounded off to three decimal places, as per the requirements of Schedule III to the Act, 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 certain judgments, estimates and assumptions. These judgments, estimates and assumptions 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. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities effected in future periods.

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 26**
  The cost of the defined benefit gratuity, 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. Information about the various estimates and assumptions made in determining the present value of defined benefit obligations are disclosed in note 26.

- **Recognition of revenue – Note 22**
  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 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 20**
  The Company uses judgement based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances in determining the provision for income tax. 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 33**
  The Company uses a 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

Any asset or liability is classified as current if it satisfies any of the following conditions :
i. the asset/liability is expected to be realised/ settled in the Company's normal operating cycle;
ii. the asset is intended for sale or consumption;
iii. the asset/liability is held primarily for the purpose of trading;
iv. the asset/liability is expected to be realised/ settled within twelve months after the reporting period;
v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
vi. in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realisation in cash and cash equivalents.

2.6 Property, plant and equipment

- **Recognition and measurement**

An items of property, plant and equipment (PPE) that qualifies as an asset is measured at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any.

The cost of an item of PPE comprises of its purchase price net of discounts, if any including import duties and other non-refundable taxes or levies and directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost.

PPE under construction is disclosed as capital work-in-progress.
Advances paid towards the acquisition of PPE outstanding at each reporting date are disclosed under 'Other non-current assets'.

- **Subsequent costs**

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. The costs of the day-to-day servicing of PPE are recognised in the statement of profit and loss as incurred.

- **Disposal**

An item of PPE 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 PPE are determined by comparing the proceeds from disposal with the carrying amount of PPE, 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 PPE as prescribed in Schedule II of the Companies Act, 2013, or as assessed by the management of the Company based on technical evaluation. Freehold land is not depreciated.

2.7 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 assets 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.

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.

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.

2.8 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.

2.9 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.

2.10 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.

Maintenance revenue is recognised rateably over the term of the underlying maintenance arrangement.

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.
Revenue from services is recognised as and when the related services are performed.

2.11 Other income

- **Interest income**

Interest income from debt instruments is recognized using effective interest rate method (EIR). EIR is the rate that discounts the estimated future cash receipts over the life of the financial instrument or a shorter period, where appropriate, to the carrying amount of the financial asset.

- **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.

2.12 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.

2.13 Employee benefits

- **Short-term employee benefits**

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.

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.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to the statement of profit or loss.

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefits expense. Interest cost implicit in defined benefit employee cost is recognised in the Statement of Profit and Loss under finance costs. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Company recognises related restructuring costs or termination benefits.

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.

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 at present value of estimated future cash flows expected to be made by the Company and is recognised in a similar manner as in the case of defined benefit plans above.

Long-term employee benefit costs comprising current service cost and gains or losses on curtailments and settlements, re-measurements including actuarial gains and losses are recognised in the Statement of Profit and Loss as employee benefits expenses. Interest cost implicit in long-term employee benefit cost is recognised in the Statement of Profit and Loss under finance costs.

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.

2.14 Share-based payments
The fair value of equity-settled share-based payments (such as employee stock options) is measured at the grant date and recognized as an employee benefit expense over the vesting period, with a corresponding increase in equity (employee stock option reserve).

The vesting period is the time during which the employee must meet specific conditions to receive the award. At each reporting date, the Company reviews and updates its estimate of the number of options expected to vest, based on service and non-vesting conditions. Any changes in these estimates are reflected in the statement of profit and loss, with a corresponding adjustment to equity.

2.15 Leases
Assets taken on lease are accounted as right-of-use assets and the corresponding lease liability is recognised at the lease commencement date.

Initially the right-of-use asset is measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, as reduced by any lease incentives received.

The lease liability is initially measured at the present value of the lease payments, discounted using the Company’s incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, or a change in the estimate of the guaranteed residual value, or a change in the assessment of purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in the statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero

The right-of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated depreciation and cumulative impairment, if any. The right-of-use asset is depreciated using the straight-line method from the commencement date to the end of the lease term or useful life of the underlying asset whichever is earlier. Carrying amount of lease liability is increased by interest on lease liability and reduced by lease payments made.

Lease payments associated with following leases are recognised as expense on straight-line basis:
(i) Low value leases; and
(ii) Leases which are short-term.

Assets given on lease are classified either as operating lease or as finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Asset held under finance lease is initially recognised in balance sheet and presented as a receivable at an amount equal to the net investment in the lease. Finance income is recognised over the lease term. A lease which is not classified as a finance lease is an operating lease. The Company recognises lease payments in case of assets given on operating leases as income on a straight-line basis. The Company presents underlying assets subject to operating lease in its balance sheet under the respective class of asset.

2.16 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.

2.17 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 comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years.

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 were enacted at the reporting date in India under the Income Tax Act, 1961. Current tax assets and liabilities are offset only if certain criteria are met, and such offsetting is legally enforceable

- **Deferred tax**

Deferred tax is provided using the balance sheet method on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

Deferred tax is recognized on all deductible and taxable temporary differences between the accounting income and the taxable income for the year. The tax effect is calculated on the accumulated deductible temporary differences at the end of the accounting period based on prevailing enacted or subsequently enacted regulations.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for deductible temporary differences only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.
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 utilized. Unrecognized 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.

2.18 Provisions and contingencies

Provisions are recognised only when:

a. the Company has a present obligation (legal or constructive) as a result of a past event; and
b. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
c. a reliable estimate can be made of the amount of the obligation.

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

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.

2.19 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.

Diluted Earnings per share is calculated by dividing net profit attributable to the equity shareholders of the Company with the weighted average number of shares outstanding during the financial year, adjusted for effects of diluting potential equity shares towards ESOP plan.

2.20 Fair value measurement

Fair value is the price at which an asset could be sold, or a liability transferred, in an orderly transaction between market participants on 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 those 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.

2.21 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

Initial recognition and measurement:

All financial assets are initially measured at fair value. However, trade receivables that do not contain a significant financing component are measured at transaction price. In case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction cost is attributed to the acquisition value of the financial asset. Transaction cost of financial assets carried at FVTPL is expensed in the statement of profit and loss.

Subsequent measurement:

For subsequent measurement, the Company classifies its financial assets in the following measurement categories:
- Financial assets measured at amortised cost.
- Financial assets measured at fair value (either through OCI, or through profit or loss);

The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.

i. Financial assets measured at amortised cost
A financial asset is measured at the amortised cost if both the following conditions are met:
a. The Company's business model objective for managing the financial asset is to hold financial assets to collect contractual cash flows, and
b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company (Refer note 36 for further details). Such financial assets are subsequently measured at amortised cost using the effective interest method. The effect of the amortisation under effective interest method is recognised as interest income over the relevant period of the financial asset under other income in the Statement of Profit and Loss. The amortised cost of a financial asset is also adjusted for loss allowance, if any.

ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)
A financial asset is measured at FVTOCI if both of the following conditions are met:
a. The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to certain investments in debt instruments (Refer note 36 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the Other Comprehensive Income (OCI). However, the Company recognises interest income and impairment losses and its reversals in the Statement of Profit and Loss.

On derecognition of such financial assets, cumulative gain or loss previously recognised in OCI is reclassified from equity to Statement of Profit and Loss.

Further, the Company, through an irrevocable election at initial recognition, may measure certain investments in equity instruments at FVTOCI (Refer note 36 for further details). The Company has made such election on an instrument-by-instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognised under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognised in OCI. However, the Company recognises dividend income from such instruments in the Statement of Profit and Loss when the right to receive payment is established, it is probable that the economic benefits will flow to the Company and the amount can be measured reliably. On derecognition of such financial assets, cumulative gain or loss previously recognised in OCI is not reclassified from the equity to Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

iii. Financial assets measured at fair value through profit or loss (FVTPL)
A financial asset is measured at FVTPL unless it is measured at amortised cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company excluding investments in subsidiary and associate companies (Refer note 36 for further details).

Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the Statement of Profit and Loss.

Derecognition
A financial asset is derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all the risks and rewards of ownership.

In cases where Company has neither transferred nor retained substantially all the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognise such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognises an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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
Initial recognition and measurement
All non-derivative financial liabilities are initially measured at fair value. In case of non-derivative financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction cost is attributed to the acquisition of the financial liability. Transaction cost of non-derivative financial liabilities carried at FVTPL is expensed in the statement of profit and loss.

Subsequent measurement
All financial liabilities of the Company are subsequently measured at amortised cost using the effective interest method (Refer note 36 for further details). The cumulative amortisation using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortised cost at each reporting date. The corresponding effect of the amortisation under effective interest method is recognised as interest expense under finance cost in the Statement of Profit and Loss.

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.

Offsetting of financial assets and financial liabilities
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.

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.

2.22 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.

2.23 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.

Government grants relating to income, are deferred and are recognised as other income in profit or loss in the period in which such costs that these grant intends to compensate, are incurred.

Government grants relating to purchase of property, plant and equipment are initially recognised as deferred income at fair value. Subsequently, the grant is recognised as income in profit and loss on a systematic basis over the useful life of the asset.

2.24 New and amended standards

The Ministry of Corporate Affairs vide notification dated 9 September 2024 and 28 September 2024 notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024 and Companies (Indian Accounting Standards) Third Amendment Rules, 2024, respectively, which amended/ notified certain accounting standards, and are effective for annual reporting periods beginning on or after 1 April 2024:

- Insurance contracts - Ind AS 117; and
- Lease Liability in Sale and Leaseback – Amendments to Ind AS 116

These amendments did not have any impact on the amounts recognised in current or prior periods and are not expected to significantly affect the future periods.

2.25 Standards issued but not effective

The Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules. For the year ended March 31, 2025, MCA has not notified any new standards or amendments to existing standards that significantly impact the Company.

Praj Engineering and Infra Limited
Notes to the financial statements for the period ended 31st March 2025
(All amounts are in Indian rupees million unless otherwise stated)

		31 March 2025	31 March 2024
3	**Investments**		
	(iii) Investments at fair value through other comprehensive income (FVOCI)		
	Unquoted equity investments		
	Equity shares of Trualt BioEnergy Limited	100.000	-
	(203,666 Equity shares of Rs 10 each fully paid (31 March 2024 : 0)		
	Total Non Current	100.000	0.000
	Investments at amortised cost		
	Unquoted investments:		
	Deposit with Bajaj Finance Limited	120.000	170.000
	Total current	120.000	170.000
	Total Investments	220.000	170.000
4	**Other financial assets**		
	Non-current		
	Unsecured, considered good		
	Security deposits	3.054	1.839
	Deposits with banks with an original maturity of more than 12 months	0.000	0.729
		3.054	2.568
	Current		
	Interest accrued on fixed deposits and corporate deposits	2.356	10.433
	Dues from holding company	-	-
		2.356	10.433
	Total other financial assets	5.410	13.001

Praj Engineering and Infra Limited
Notes to the financial statements for the period ended 31st March 2025
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		31 March 2025	31 March 2024
5	**Trade receivables**		
	- From related parties	-	-
	- From others		
	Unsecured, considered good	492.771	589.697
		492.771	**589.697**
	Less: Allowance for expected credit loss	89.508	75.347
		403.263	**514.350**
	i. Refer Note 30 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		
	iii. Current and previous years balance of Retention has been re-grouped from Trade Receivable to Other current asset as "Contract Assets". For details, refer note 8.		
6	**Cash and cash equivalents**		
	Balances with banks		
	On current accounts	73.421	86.414
	Deposits with original maturity of less than 3 months	82.214	57.651
	Cash on hand	1.168	0.789
		156.803	144.854
7	**Other bank balances**		
	Deposits with maturity of more than 12 months	-	0.729
	Deposits with maturity of more than 3 months but less than 12 months	65.742	140.000
		65.742	140.729
	Less: amounts disclosed under other non-current assets (Refer note 4)	0.000	(0.729)
		65.742	140.000
8	**Other current assets**		
	Advance to suppliers		
	Unsecured, considered good	26.192	49.506
	Unsecured, considered doubtful	4.860	2.804
		31.052	52.310
	Less: Provision for doubtful Advances	4.860	2.804
		26.192	49.506
	Contract Assets		
	- Contracts in progress (Refer note 22)	57.060	24.180
	- Retention Money	53.467	47.143
	Balances with Indirect tax authorities	40.012	45.564
	Amounts receivable in cash or kind	0.728	1.137
		177.459	167.530
	Note: Current and previous years balance of Retention has been re-grouped from Trade Receivable to Other current asset as "Contract Assets".		

Praj Engineering and Infra Limited
Notes to the financial statements for the period ended 31st March 2025
(All amounts are in Indian rupees million unless otherwise stated)

		31 March 2025	31 March 2024
9	**Share capital**		
	Equity share capital		
	Authorised shares		
	10,00,000 (31 March 2024 10,00,000) equity shares of INR 10 each	10.000	10.000
	Issued, subscribed and fully paid-up shares		
	3,09,820 (31 March 2024 : 3,09,820) equity shares of INR 10 each	3.098	3.098
	Total equity share capital	**3.098**	**3.098**

a. **Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:**

	31 March 2025		31 March 2024	
Equity shares of INR 10 each fully paid	**No.**	**Amount**	**No.**	**Amount**
At the beginning of the period	3,09,820	30,98,200	3,09,820	30,98,200
Outstanding at the end of the period	**3,09,820**	**30,98,200**	**3,09,820**	**30,98,200**

b. **Terms/ Rights attached to equity shares:**

The Company has only class of equity shares having a par value of INR 10 per share.
Each holder of the equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
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 preferetial amounts.

c. **Shares held by holding company:**

	31 March 2025		31 March 2024	
Equity shares of INR 10 each fully paid	**No**	**% of holding**	**No**	**% of holding**
Praj Industries Limited is the ultimate holding company.	3,08,810	99.67%	3,08,810	99.67%

d. **Details of shareholders holding more than 5% shares in the company:**

	31 March 2025		31 March 2024	
Equity shares of INR 2 each fully paid	**No**	**% of holding**	**No**	**% of holding**
Praj Industries Limited (including nominee shareholders)	3,08,810	99.67%	3,08,810	99.67%

e. **Details of shareholders holding of Promoters:**

	31 March 2025		31 March 2024	
Equity shares of INR 2 each fully paid	**No**	**% of holding**	**No**	**% of holding**
Praj Industries Limited (including nominee shareholders)	3,08,810	99.67%	3,08,810	99.67%

f. **Shares reserved for issue under options:**

No shares are reserved for issue under any Employee Stock Option Plan (ESOP).

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:**

During the period of five years immediately preceding the reporting date, no shares were issued as bonus shares, or for consideration other than cash and no shares were bought back.

	Particulars	31 March 2025	31 March 2024
10	**Other Equity**		
	General reserve		
	Balance as per last financial statements	0.230	0.230
	Add : amounts transferred from surplus balance in statement of profit and loss	-	-
	Balance at the end of year	0.230	0.230
	Surplus in the statement of profit and loss		
	Balance as per last financial statements	298.777	193.336
	Profit / (loss) as per statement of profit and loss	69.121	105.441
	Net Surplus in Statement of Profit & Loss	367.898	298.777
		368.128	299.007

Praj Engineering and Infra Limited
Notes to the financial statements for the period ended 31st March 2025
(All amounts are in Indian rupees million unless otherwise stated)

		31 March 2025	31 March 2024
11	**Provisions**		
	Non-current		
	Provision for employee benefits		
	Compensated absences	2.302	1.336
		2.302	1.336
	Current		
	Provision for employee benefits		
	Gratuity (Refer note 26)	1.523	0.797
	Compensated absences	0.329	0.159
	Provision for anticipated losses	12.771	13.009
		14.623	13.965
	Total provisions	16.925	15.301
	Movement in Provision for anticipated losses		
	Balance of provision as at the start of the year	13.009	20.669
	Additional Provision during the year	10.235	5.572
	Provision used/ reversed during the year	10.473	13.232
	Balance of provision as at the end of the year	12.771	13.009
12	**Trade payables**		
	To related parties	-	-
	To others		
	Total outstanding dues of micro enterprises and small enterprises	12.169	12.766
	Total outstanding dues of creditors other than micro enterprises and small enterprises (MSMED)	238.315	304.068
		250.484	316.834
	Notes:		
	i. **Refer Note 30B** for ageing schedule.		
	ii. Trade payables are non-interest bearing and are normally settled on 30-90 days terms.		
	iii. Interest due/payable to parties registered under MSMED Act, 2006 **(Refer Note 27)**.		
13	**Other current financial liabilities**		
	Dues to holding company (Refer note 24)	0.142	1.702
	Other payables - Security Deposit	8.415	0.000
	Employee benefit payable	4.849	4.866
		13.406	6.568
14	**Other current liabilities**		
	Advances received from customers	184.161	217.824
	Statutory dues payable	3.602	5.880
	Dues to customers relating to contracts in progress (Refer Note 22)	211.947	291.862
		399.710	515.566

Praj Engineering and Infra Limited
Notes to the financial statements for the period ended 31st March 2025
(All amounts are in Indian rupees million unless otherwise stated)

		31 March 2025	31 March 2024
15	**Revenue from operations (Refer note 22)**		
	Sale of services	1312.594	1732.905
	Add: Closing contracts in progress	(154.887)	(267.682)
	Less: Opening contracts in progress	(267.682)	(222.875)
		1425.389	1688.098
16	**Other income**		
	Interest		
	- on fixed deposits with banks	19.631	24.542
	- others	1.165	0.406
	Excess provision / creditors written back and written off (net)	2.881	1.809
		23.677	26.757
17	**Employee Benefit Expenses**		
	Salaries, wages and bonus	60.083	39.324
	Contributions to provident and other funds (Refer note 26)	2.217	1.406
	Gratuity expense (Refer note 26)	0.717	0.278
		63.017	41.008
18	**Finance costs**		
	Interest Expense		
	Interest cost on defined benefit obligations (Refer note 26)	0.050	0.023
		0.050	0.023
19	**Other expenses**		
	Site expenses and labour charges	1223.901	1446.082
	Freight and transport	13.957	17.081
	Bad debts written off (INR 14.190 ; 31 March 2024: INR 32.389) / Provision for doubtful debts and advances	24.865	38.212
	Travel and conveyance	3.979	3.908
	Professional consultancy charges	3.275	2.291
	Insurance	7.313	7.246
	Rent (Refer note 25)	0.302	0.108
	Power and fuel	2.430	0.000
	Communication expenses	0.023	0.882
	Testing charges	0.000	0.279
	Auditors' remuneration		
	for audit services	0.207	0.207
	for taxation services	0.042	0.058
	out of pocket expenses	0.009	0.000
	Miscellaneous expenses *	8.802	15.641
		1289.105	1531.995
	* Mainly includes CSR expenses, security expenses, tax payments and bank charges		

Praj Engineering and Infra Limited

Notes to the financial statements for the period ended 31st March 2025
(All amounts are in Indian rupees million unless otherwise stated)

Note 20: Income Tax

Statement of profit and loss:

Particulars	31 March 2025	31 March 2024
Current income tax:		
Current income tax charge	30.270	37.435
Tax relating to earlier periods	1.999	0.153
Deferred tax:		
Relating to origination and reversal of temporary differences	(4.655)	(1.495)
Income tax expense reported in the statement of profit and loss	**27.614**	**36.093**

Statement of other comprehensive income:

Particulars	31 March 2025	31 March 2024
Deferred tax:		
Remeasurements gains and losses on post employment benefits	-	-
Income tax expense reported in the statement of other comprehensive income	**-**	**-**

Reconciliation of effective tax rate

Particulars	31 March 2025	31 March 2024
Accounting profit before tax	**96.894**	**141.829**
Tax using the Company’s domestic tax rate (31March 2025 25.1680% : 31 March 2024 25.1680%)	**24.386**	**35.696**
Adjustments in respect of current income tax of previous years	**1.999**	**0.153**
Add: Tax effect of		
1. Deferred tax effects on earlier year	**1.229**	**0.244**
Total	**27.614**	**36.093**
Income tax expense reported in the statement of profit and loss	**27.614**	**36.093**

Deferred tax

Deferred tax relates to the following: **Deferred tax asset / (liability)**	**Balance sheet**		**Statement of profit and loss & other comprehensive**	
	31-Mar-25	**31-Mar-24**	**31-Mar-25**	**31-Mar-24**
Deferred tax asset				
Provision for doubtful debts & advances	23.751	19.669	(4.082)	(1.815)
Gratuity	0.383	0.180	(0.203)	(0.075)
Leave encashment/exgratia	1.115	0.958	(0.157)	(0.508)
Others (40 (a) Expenses on which tds not deducted	2.669	2.396	(0.273)	(1.024)
Provision for Anticipated losses	3.214	3.274	0.059	1.927
Total	**31.132**	**26.477**	**(4.656)**	**(1.495)**
Deferred tax liability				
Property, plant & equipment and intangible assets	0.000	0.000	0.000	0.000
Total	**0.000**	**0.000**	**0.000**	**0.000**
Net deferred tax asset / (liability)	**31.132**	**26.477**		
Deferred tax expense/(income)			**(4.656)**	**(1.495)**
- Recognised in statement of profit and loss			(4.655)	(1.495)
- Recognised in statement of other comprehensive income			0.00	0.00

Praj Engineering and Infra Limited

Notes to the financial statements for the period ended 31st March 2025
(All amounts are in Indian rupees million unless otherwise stated)

Note 21: Earnings per share

Particulars	31 March 2025	31 March 2024
Reconciliation of basic and diluted shares used in computing earnings per share		
Weighted average number of basic equity shares	3,09,820	3,09,820
Computation of basic and diluted earnings per share		
Net profit after tax attributable to equity shareholders	69.280	105.736
Basic earnings per equity share of Rs. 10 each	223.61	341.28
Diluted earnings per equity share of Rs. 10 each	223.61	341.28

Note 22: Disclosures pursuant to Ind AS 115

Particulars	31 March 2025	31 March 2024
Contract revenue recognised during the year	1230.546	1547.021
Aggregate amount of contract costs incurred and recognised profits (less recognised losses)	1548.092	2632.492
Customer advances outstanding for contracts in progress	143.185	145.990
Retention money due from customers for contracts in progress	22.245	29.364
Gross amount due from customers for contract work (presented as contracts in progress)	57.060	24.180
Gross amount due to customers for contract work (presented as dues to customers relating to contracts in progress)	(211.947)	(291.862)

I) Revenue by category of contracts:

Particulars	31 March 2025	31 March 2024
Over a period of time basis	1230.546	1547.021
At a point-in-time basis	194.843	141.077
Total revenue from contracts with customers	**1425.389**	**1688.098**

II) Revenue by geographical market:

Particulars	31 March 2025	31 March 2024
Within India	1425.389	1688.098
Outside India	-	-
Total revenue from contracts with customers	**1425.389**	**1688.098**

III) Transaction price allocated to the remaining performance obligations

Particulars	31 March 2025	31 March 2024
Remaining performance obligations	1169.197	1110.955

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

IV) Contract balances

Particulars	31 March 2025	31 March 2024
Trade receivables	403.263	514.350
Unbilled Revenue (Contract Asset)	57.060	24.180
Unearned Revenue (Contract Liability)	211.947	291.862
Customer Advances (Contract Liability)	184.161	217.824

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.

Note 23: Segment reporting

The business activities of the Company from which it earns revenues and incurs expenses; whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available involve predominantly one operating segment i.e. installation, commissioning and subcontracting works.

Note 24: Related party transactions

a) Parties where control exists
Holding Company **:** Praj Industries Limited

b) Fellow-Subsidiary Companies :

Praj Far East Co. Limited
Praj Americas Inc.
Praj HiPurity Systems Limited
Praj Far East (Philippines) Inc.
Praj GenX Limited
Praj Projects (Tanzania) Limited

c) Key management personnel

Atul Mulay
Dattatraya Nimbolkar
Shishir Joshipura
Sachin Raole
Dilip Deshpande
Avinash Padhye
Vivek Sukhatankar

d) Director of Holding company

Dr. Pramod Chaudhari
Shishir Joshipura
Ashish Gaikwad (from 03 February 2025)
Sachin Raole
Parimal Chaudhari
Dr. Shridhar Shukla
Rujuta Jagtap (from 21 August 2023)
Vianayak Deshpande (from 31 March 2024)
Utkarsh Palnitkar (from 31 March 2024)
Ajay Narayan Deshpande (from 25 October 2024)
Suhas Baxi (upto 7th August 2024)
Mrunalini Joshi (upto 10 August 2023)
Berjis Desai (upto 31 March 2024)
Sivaramakrishnan S. Iyer (upto 31 March 2024)

e) Entity controlled or jointly controlled by a person identified in d)

Praj Foundation

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

Particulars	31 March 2025	31 March 2024
Praj Industries Limited		
Purchases of goods and services	0.000	17.174
Expenses incurred and reimbursed by us	0.432	0.513
Expenses incurred and reimbursed by Holding company	2.909	0.073
Rent paid	0.170	0.060
Receivable	0.000	0.000
Payable	0.142	1.702
Praj Foundation		
Donation paid	1.941	1.264
Professional fees paid to Non-Executive Directors		
Mr Avinash Padhye	0.350	0.350
Mr Dilip Deshpande	0.350	0.350
Salary Paid to Manager	0.001	0.000

Note 25: Leases

The Company has entered into lease arrangements for office space and accomodation for its employees and has decided to not apply requirments of Ind As 116 as they are low value leases. Certain lease arrangements provide for cancellation by either party and also contain a clause for renewal of the lease agreement. Lease payments debited to the statement of profit and loss as below:

Particulars	31 March 2025	31 March 2024
Lease payments debited to statement of profit and loss		
- cancellable leases	0.302	0.108

Note 26: Employee benefits

a) Defined contribution plans
The Company has recognised Rs.2.217 (31 March 2024: Rs. 1.406) towards post-employment defined contribution plans comprising of provident and superannuation fund in the statement of profit and loss.

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

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

Particulars	31 March 2025	31 March 2024
Present value of obligation as at the beginning of the period	**1.807**	**1.274**
Interest cost	0.126	0.090
Current service cost	0.717	0.278
Benefits paid	(0.105)	(0.121)
Remeasurements on obligation - (gain) / loss	0.156	0.286
Present value of obligation as at the end of the period	**2.701**	**1.807**

The changes in the fair value of planned assets representing reconciliation of opening and closing balances thereof are as follows:

Particulars	31 March 2025	31 March 2024
Fair value of plan assets at the beginning of the period	**1.010**	**0.859**
Interest income	0.076	0.067
Contributions	0.100	0.099
Adjustment entry	(0.006)	(0.006)
Return on plan assets, excluding amount recognized in interest income - gain / (loss)	(0.003)	(0.009)
Fair value of plan assets as at the end of the period	**1.177**	**1.010**

Amounts recognised in the balance sheet are as follows:

Particulars	31 March 2025	31 March 2024
Present value of obligation as at the end of the period	2.701	1.807
Fair value of plan assets as at the end of the period	1.177	1.010
Surplus / (deficit)	**(1.524)**	**(0.797)**

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

Particulars	31 March 2025	31 March 2024
Current service cost	0.717	0.278
Net interest (income) / expense	0.050	0.023
Net periodic benefit cost recognised in the statement of profit and loss at the end of the period	**0.767**	**0.301**

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

Particulars	31 March 2025	31 March 2024
Opening amount recognised in OCI outside statement of profit and loss	0.026	(0.269)
Remeasurement for the year - obligation (gain) / loss	0.156	0.286
Remeasurement for the year - plan assets (gain) / loss	0.003	0.009
Total remeasurements cost / (credit) for the year	**0.159**	**0.295**
Less: Amount transferred to retained earnings		
Closing amount recognised in OCI outside statement of profit and loss	**0.185**	**0.026**

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

Particulars	31 March 2025	31 March 2024
Interest (income) / expense - obligation	0.126	0.090
Interest (income) / expense - plan assets	0.076	(0.067)
Net interest (income) / expense for the year	**0.202**	**0.023**

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

Net interest (income) / expense recognised in statement of profit and loss are as follows:	31 March 2025	31 March 2024
Funds managed by insurer	100%	100%
Total	**100%**	**100%**

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

Particulars	31 March 2025	31 March 2024
Discount rate	6.70%	7.20%
Rate of increase in compensation levels	9.00%	8.00%
Expected rate of return on plan assets	7.20%	7.40%
Expected average remaining working lives of employees (in years)	8.46	10.74
Withdrawal rate		
Age upto 30 years	10.00%	7.00%
Age 31 - 40 years	10.00%	7.00%
Age 41 - 50 years	10.00%	7.00%
Age above 50 years	10.00%	7.00%

A quantitative sensitivity analysis for significant assumption is shown as follows:
Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the present value of obligation. Sensitivity analysis is done by varying (increasing/ decreasing) one parameter by 100 basis points (1%)

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

Discount rate	Present value of obligation	
	31 March 2025	31 March 2024
5.70% (6.20%)	2.917	1.974
7.70% (8.20%)	2.511	1.662

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 2025	31 March 2024
8.00% (7.00%)	2.536	1.677
10.00% (9.00%)	2.884	1.953

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 2025	31 March 2024
9.00% (6.00%)	2.729	1.816
11.00% (8.00%)	2.675	1.799

Expected contributions for the next year
The Company expects to fund INR 0.250 (31 March 2024: INR 0.100) towards its gratuity plan during the year 2025-26.

Average duration
Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal rate and interest rate) is 13.48 years (31 March 2024: 14.67 years).

Maturity analysis

The expected maturity analysis of undiscounted gratuity benefits payments is as follows:

Particulars	31 March 2025	31 March 2024
Less than a year	0.155	0.097
Between 1-3 years	0.970	0.409
Between 4–5 years	0.527	0.522

The above cash flows have been arrived at based on the demographic and financial assumptions mentioned above.

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

i. 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.

ii. 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.

iii. 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

2) Asset Risks

All plan assets are maintained in a trust fund managed by LIC of India.

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.

c) Other long-term employee benefits

Provision for Compensated absences:

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

Particulars	31 March 2025	31 March 2024
Present value of obligation as at the beginning of the period	1.495	1.023
Interest cost	0.098	0.071
Current service cost	0.515	0.262
Benefits paid	(0.265)	(0.125)
Remeasurements on obligation - (gain) / loss	0.788	0.264
Present value of obligation as at the end of the period	2.631	1.495

Note 27: Note on MSMED

The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at March 31, 2025. The disclosure pursuant to the said Act is as under:

Particulars	31 March 2025	31 March 2024
Total outstanding amount in respect of micro and small enterprises	12.169	12.766
Principal amount due and remaining unpaid	-	-
Interest due on above and unpaid interest	0.152	-
Interest paid	-	-
Payment made beyond appointment day	1.402	6.587
Interest due and payable for the period of delay	0.016	0.152
Interest accrued and remaining unpaid (excluding interest accrued for earlier years)	0.016	0.152
Amount of further interest remaining due and payable in succeeding years	0.168	0.152

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.

Note 28: Corporate Social Responsibility (CSR) expenditure

During the year, the Company has incurred CSR expenses of INR 1.941 (2024: INR 1.264) included in Miscellaneous Expenses (Refer Note 19) as follows:

Amount spent on	Amounts paid in FY 2024-25	Amounts paid in FY 2023-24
Construction/acquisition of asset	Nil	Nil
On other purposes covered under Schedule VII to Companies Act, 2013	1.941	1.264

Particulars	31 March 2025	31 March 2024
a) Amount required to be spent by the company during the year	1.938	1.119
b) Amount of expenditure spent	1.941	1.264
i) Incurred through related party - Praj Foundation	1.941	1.264
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	-	-
c) Shortfall at the end of the year	-	-
d) Total of previous years shortfall	-	-
e) Cash outflow related to Corporate Social Responsibility (CSR) activities	1.941	1.264

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

29 **Note 29: Fair value measurements**

As per assessments made by the management, fair values of all financial instruments carried at amortised cost 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 equity shares which are classified as fair value through other comprehensive income (FVOCI) using quoted prices.

Sr.No	Particulars	Carrying value	Carrying value
		31 March 2025	31 March 2024
	Financial asset		
A	**Levelled at level 1**		
i)	**Carried at fair value through other comprehensive income (FVTOCI)**		
	Investments in Equity shares	100.000	-
B	**Levelled at level 2**		
i)	**Carried at amortised cost**		
	Investments	120.000	170.000
	Security deposits	3.054	1.839
	Trade receivable	403.263	514.350
	Deposits with banks	65.742	140.729
	Other receivables	2.356	10.433
	Cash and cash equivalents	156.803	144.854
	Levelled at level 2		
	Financial liabilities		
a)	**Carried at amortised cost**		
	Trade payables	250.484	316.834
	Other payables	13.406	6.568

Praj Engineering and Infra Limited
Notes to the financial statements for the period ended 31st March 2025
(All amounts are in Indian rupees million unless otherwise stated)

Note 30: Ageing schedule for Trade Receivables and Trade Payables
(A) The table below provides details regarding Trade receivables ageing schedule

Particulars		31 March 2025					
	Unbilled dues/Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months -1 Year	1-2 Years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	48.021	242.427	25.817	71.128	49.530	55.848	492.771
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Gross trade receivable	48.021	242.427	25.817	71.128	49.530	55.848	492.771
Less: Impairment Allowance	-	-	-	-	-	-	(89.508)
Total	**48.021**	**242.427**	**25.817**	**71.128**	**49.530**	**55.848**	**403.263**

Particulars		31 March 2024					
	Unbilled dues/Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months -1 Year	1-2 Years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	18.381	304.659	90.358	104.136	37.920	34.243	589.697
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Gross trade receivable	18.381	304.659	90.358	104.136	37.920	34.243	589.697
Less: Impairment Allowance	-	-	-	-	-	-	(75.347)
Total	**18.381**	**304.659**	**90.358**	**104.136**	**37.920**	**34.243**	**514.350**

(B) The table below provides details regarding Trade payables ageing schedule

Particulars		31 March 2025				
	Unbilled dues/Not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
(i) Undisputed dues - MSME	11.777	0.392	0.000	-	-	12.169
(ii) Undisputed dues - Other	229.261	4.959	1.302	2.145	0.648	238.315
Total	**241.038**	**5.351**	**1.302**	**2.145**	**0.648**	**250.484**

Particulars		31 March 2024				
	Unbilled dues/Not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
(i) Undisputed dues - MSME	5.923	6.176	0.667	-	-	12.766
(ii) Undisputed dues - Other	114.652	165.377	16.579	5.018	2.442	304.068
Total	**120.575**	**171.553**	**17.246**	**5.018**	**2.442**	**316.834**

Praj Engineering and Infra Limited

Notes to the financial statements for the period ended 31st March 2025

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

Note 31: Analytical Ratio

Sr. No.	Ratio	Numerator	Denominator	31 March 2025	31 March 2024	% Variance	Reason for Variance
1	Current ratio	Current assets	Current liabilities	1.34	1.31	2.29%	N.A.
2	Debt-equity ratio	Debt	Net worth	NA	NA		N.A.
3	Debt service coverage ratio	Profit after tax + finance cost and depreciation	Interest & Lease Payments	NA	NA		N.A.
4	Return on equity ratio	Profit after tax	Average Shareholder’s Equity	0.21	0.42	-50.00%	Decrease in Revenue and increased operationg expenses
5	Inventory turnover ratio	Cost of materials consumed + Changes in inventories + Consumption of stores and spares	Average Inventory	NA	NA		N.A.
6	Trade receivables turnover ratio	sales (billed to customer)	Average Accounts Receivable	2.86	3.51	-18.52%	N.A.
7	Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	4.36	5.27	-17.27%	N.A.
8	Net capital turnover ratio	sales	Average Workin capital	5.55	7.61	-27.07%	On account of decrease in sales 16% compare to previous year.
9	Net profit ratio	Profit After Tax	sales	0.05	0.06	-16.67%	Change in ratio is on account of decrease in project margin.
10	Return on capital employed	Earning Before Interest & Tax	Capital Employed	0.29	0.51		N.A.
11	Return on investment	Income from Investments	Investment	7.2%	6.7%		Increase in rate of Interest on deposits.

32 Other Notes

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

The Company does not own any immovable property whoes title deeds are not in the name of the Company.

ii Details of Benami Property

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

iii Borrowings secured against current assets

Though the Company 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.

iv Wilful Defaulter

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

v Relationship with Struck off Companies

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

vi Registration of charges with ROC

There are no charges created in favour of bank which are pending for satisfaction.

viI 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 or entity, 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 or (ii) provide any guarantee, security or the like to or on behalf of the Company;

Loans or advances to specified persons

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

(i) repayable on demand or

(ii) without specifying any terms or period of repayment.

viii Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in crypto currency or virtual currency during the financial year.

Valuation of PP&E, right-of-use assets, intangible asset and investment property

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

Utilisation of borrowings availed from banks and financial institutions

The Company does not have any borrowings availed from banks and financial institutions.

Compliance with number of layers of companies

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

Undisclosed income

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

Praj Engineering and Infra Limited

Notes to the financial statements for the period ended 31st March 2025
(All amounts are in Indian rupees million unless otherwise stated)

Note 33: Financial risk management policy and objectives

Company’s principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance company's 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	Borrowings 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 management handles the risk management based on policies approved by the Board of Directors. Company's treasury identifies, evaluates and hedges financial risks in close co-operation with the company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk, and investment of excess liquidity.

(A) Credit risk
Credit risk in case of the Company arises from cash and cash equivalents, 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 intial 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.

The company provides for expected credit loss in case of trade receivables when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the company etc.

The Company uses simplified approach for estimating the lifetime expected loss provision. The Company provides expected loss based on the overdue number of days for receivables as per the provision matrix as decided by the management which is based on the historical experience of recoverability. Where receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Provision for expected credit loss

Financial assets for which loss allowance is measured using 180 days Expected Credit Losses (ECL)

Exposure to risk	31 March 2025	31 March 2024
Trade receivables	492.771	589.697
Less : Allowance for expected credit loss	89.508	75.347
	403.263	**514.350**

	31 March 2025	31 March 2024
Trade receivables		
Neither past due nor impaired	48.021	18.381
Less than 180 days	242.427	304.659
181 - 365 days	25.817	90.358
More than 365 days	176.506	176.299
Gross trade receivables	**492.771**	**589.697**
Less: Allowance for expected credit loss	(89.508)	(75.347)
Total	**403.263**	**514.350**

Reconciliation of allowance for expeceted credit loss on trade receivables and contract assets	FY 2024-25	FY 2023-24
Opening loss allowance	75.347	68.130
Bad debts written off	(14.191)	(32.390)
Additional allowance	28.352	39.607
Closing loss allowance	**89.508**	**75.347**

B) Liquidity risk

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

Management regularly monitors the company’s liquidity position using rolling cash flow forecasts, which include cash and cash equivalents and undrawn borrowing facilities. This monitoring is aligned with internal policies and limits. The Company’s liquidity management also includes:
- Forecasting future cash flows,
- Assessing the required level of liquid assets,
- Monitoring liquidity ratios in line with internal benchmarks and regulatory requirements, and
- Maintaining appropriate debt financing strategies.

Exposure to risk	31 March 2025	31 March 2024
Other financial liabilities		
Less than 180 days	13.406	6.568
Total	**13.406**	**6.568**
Trade payables		
Not Due	241.038	120.575
Less than 365	5.351	171.553
More than 365 days	4.095	24.706
Total	**250.484**	**316.834**

(C) Foreign currency risk

The company is not exposed to any foreign exchange risk and doesn’t have any sales to overseas customers and purchases from overseas suppliers in various foreign currencies.

Note 34: Capital management

Risk management

The company's objectives when managing capital are to

-safeguard it's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other

-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 2025	31 March 2024
Loans and borrowings		
Less: cash and cash equivalents	156.803	144.854
Net debt		
Equity	371.226	302.105
Capital and net debt	**371.226**	**302.105**
Gearing ratio	**0%**	**0%**

Note 35

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 P G BHAGWAT LLP
Chartered Accountants
Firm Regn. No: 101118W/W100682

Sd/-
Abhijeet Bhagwat
Partner
Membership No.: 136835
Place: Pune
Date: 24-04-2025

For and on behalf of the Board of Directors of Praj Engineering and Infra Limited

Sd/-
Shishir Joshipura
Director
(DIN : 00574970)

Sd/-
Sachin Raole
Director
(DIN : 00431438)

Place: Pune
Date: 24-04-2025