Floor 6, Building No. 1
Cerebrum IT Park, Kalyani Nagar
Pune 411014, INDIA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying Special Purpose Financial Statements of Praj Americas Inc. USA ('the Company'), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss (including Other Comprehensive Income) and the Statement of Changes in Equity for year then ended, and notes to the special purpose financial statements along with 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 accompanying special purpose financial statements present fairly, in all material respects, the financial position of the company as at March 31, 2026, and its financial performance, including other comprehensive income and its changes in equity for the year then ended, in accordance with the recognition and measurement principle of Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose 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 special purpose financial statements, 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.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note No. 2.1 to the Financial Statements, which describes the purpose and basis of accounting. The accompanying Financial Statements have been prepared by the management solely in accordance with the recognition and measurement principles of Indian Accounting Standards (Ind AS) for the purpose of providing information to Praj Industries Limited (Holding Company) to enable it to prepare the Consolidated Financial Statements. As a result, these Financial Statements may not be suitable for any other purpose.

Our report is intended solely for the information and use of the Board of Directors and is not intended to be and should not be used or relied upon by any other party or for any other purpose.

Our opinion is not modified in respect of this matter.

Registered Office: 602, Raheja Titanium, Western Express Highway, Goregaon (East), Mumbai-400063, Maharashtra, India
Tel: +91 22 6974 0200 | LLPIN: ACT-3789
Ahmedabad | Bengaluru | Chandigarh | Chennai | Coimbatore | Goa | Gurugram | Hyderabad | Kochi | Kolkata | Mumbai www.mska.in

Other Matter

The special purpose financial statements for the year ended March 31, 2025, included in the accompanying special purpose financial statements were audited by another auditor whose report dated April 24, 2025, expressed an unmodified opinion on those special purpose financial statements. Our opinion is not modified in respect of these matters.

Responsibilities of Management and Those charged with Governance for Special Purpose Financial Statements

Management is responsible for the preparation and fair presentation of these Special Purpose Financial Statements in accordance with the recognition and measurement principles of Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes the design, implementation, and maintenance of adequate internal financial controls that are relevant to the preparation and presentation of the Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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 Charged with governance are responsible for overseeing the Company's financial reporting process.

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Auditor's Responsibilities for the Audit of the Special Purpose 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 special purpose financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Special purpose financial statements.

For M S K A & Associates LLP (Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Sd/-
Nitin Manohar Jumani
Partner
Membership No. 111700
UDIN: 26111700NUPEAL1293
Place: Pune
Date: May 25, 2026

Floor 6, Building No. 1
Cerebrum IT Park, Kalyani Nagar
Pune 411014, INDIA

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE SPECIAL PURPOSE FINANCIAL STATEMENTS

Auditor's Responsibilities for the Audit of the Special Purpose 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 Special Purpose 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, but not for expressing our opinion on on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Special Purpose 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.

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.

For M S K A & Associates LLP (Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Sd/-

Nitin Manohar Jumani
Partner
Membership No. 111700
UDIN: 26111700NUPEAL1293

Place: Pune
Date: May 25, 2026

Praj Americas Inc. USA
Balance Sheet as at 31 March 2026
(All amounts are in USD unless otherwise stated)

Particulars	Note No.	31 March 2026	31 March 2025
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	-	-
(b) Financial assets		-	-
Total non-current assets		**-**	**-**
Current assets			
(a) Financial assets			
(i) Trade receivables	4	4,11,496	2,16,764
(ii) Cash and cash equivalents	5	1,27,427	1,97,338
Total current assets		**5,38,923**	**4,14,102**
TOTAL ASSETS		**5,38,923**	**4,14,102**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	7	2,00,000	2,00,000
(b) Other equity	8	1,06,403	55,143
Total equity		**3,06,403**	**2,55,143**
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities		-	-
(b) Other non-current liabilities		-	-
Total non-current liabilities		-	-
Current liabilities			
Financial liabilities			
(a) Trade payables	9		
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,76,929	1,13,078
(b) Other financial liabilities	10	16,887	8,361
(c) Other current liabilities	11	30,150	30,150
Current tax liabilities (net)	6	8,554	7,370
Total current liabilities		**2,32,520**	**1,58,959**
Total liabilities		**2,32,520**	**1,58,959**
TOTAL EQUITY AND LIABILITIES		**5,38,923**	**4,14,102**

Summary of material accounting policies 2
The accompanying notes are an integral part of the financial statements.

As per our report of even date.

M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants

ICAI Firm Registration Number: 105047W/W101187

Sd/-
Nitin Manohar Jumani
Partner
Membership No.: 111700

Place: Pune
Date: 25 May 2026

For and on behalf of the Board of Directors
of Praj America Inc.

Sd/-
Atul Mulay
Director
(DIN : 06925022)

Sd/-
Sachin Raole
Director
(DIN : 00431438)

Praj Americas Inc. USA

Statement of profit and loss for the year ended 31 March 2026

(All amounts are in USD unless otherwise stated)

Particulars	Note No.	31 March 2026	31 March 2025
Revenue from Operations	12	13,90,952	7,21,051
Other income		7	-
Total Income (A)		**13,90,959**	**7,21,051**
Expenses			
Employee benefits expense	13	8,37,352	4,10,802
Depreciation and amortization expense	3	-	-
Other expenses	14	4,87,297	2,75,913
Total expenses (B)		**13,24,649**	**6,86,715**
Profit before tax (C = A-B)		**66,310**	**34,336**
Tax expenses			
(1) Current tax		15,050	8,430
(2) Deferred tax		-	-
Total tax expenses (D)		**15,050**	**8,430**
Profit for the period (E = C-D)		**51,260**	**25,906**
Other Comprehensive Income			
Re-measurement of defined benefit plans		-	-
Income tax effect		-	-
Other Comprehensive Income Total (F)		-	-
Total comprehensive income for the year (G = E + F)		**51,260**	**25,906**
Earnings per equity share (Nominal value per share $ 5 each)	16		
(1) Basic		1.28	0.65
(2) Diluted		1.28	0.65

Summary of material accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration Number: 105047W/W101187

Sd/-
Nitin Manohar Jumani
Partner
Membership No.: 111700
Place: Pune
Date: 25 May 2026

For and on behalf of the Board of Directors
of Praj America Inc.

Sd/-
Atul Mulay
Director
(DIN : 06925022)

Sd/-
Sachin Raole
Director
(DIN : 00431438)

Praj Americas Inc. USA
Statement of Cash Flow for the year ended 31 March 2026
(All amounts are in USD unless otherwise stated)

		31 March 2026	31 March 2025
A.	**Cash flow from operating activities**		
	Net profit before tax	66,310	34,336
	Adjustments for:		
	Depreciation and amortisation expenses	-	-
	Operating profit before working capital changes	66,310	34,336
	Changes in working capital		
	(Increase) /decrease in trade receivables	(1,94,731)	(15,697)
	Increase/(decrease) in trade payables	63,851	2,329
	Increase/(decrease) in other current financial liabilities	8,525	-
	Increase/(decrease) in other current liabilities	-	30,149
	Cash generated from operations	(56,045)	51,117
	Direct taxes paid (including taxes deducted at source), net of refunds	(13,866)	(2,173)
	NET CASH GENERATED FROM/ (USED) IN OPERATING ACTIVITIES	(69,911)	48,944
B.	**Cash flow from investing activities**		
	NET CASH FROM / (USED) IN INVESTING ACTIVITIES	-	-
C.	**Cash flow from financing activities**		
	NET CASH FROM / (USED) IN FINANCING ACTIVITIES	-	-
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	(69,911)	48,944
	Cash and cash equivalents at the beginning of the year (Refer Note 5)	1,97,338	1,48,394
	Add: effect of exchange rate changes on cash and cash equivalents	-	-
	Cash and cash equivalents at the end of the year (Refer Note 5)	**1,27,427**	**1,97,338**

Notes:

1 The statement of cash flows has been prepared under the 'Indirect method' as set out in Ind AS 7

The accompanying notes are an integral part of the Cash Flow statement.

As per our report of even date.

M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration Number: 105047W/W101187

Sd/-

Nitin Manohar Jumani
Partner
Membership No.: 111700
Place: Pune
Date: 25 May 2026

For and on behalf of the Board of Directors
of Praj America Inc.

Sd/-

Atul Mulay
Director
(DIN : 06925022)

Sd/-

Sachin Raole
Director
(DIN : 00431438)

Praj Americas Inc. USA
Statement of changes in equity for the year ended 31 March 2026
(All amounts are in USD unless otherwise stated)

A. Equity share capital

Balance as on 1 April 2024	Changes in equity share capital during the year	Balance as on 31 March 2025
2,00,000	-	2,00,000
Balance as on 1 April 2025	**Changes in equity share capital during the year**	**Balance as on 31 March 2026**
2,00,000	-	2,00,000

B. Other equity

Particulars	Reserves and Surplus	Total
	Retained earnings	
Balance as at 1 April 2024	**29,237**	**29,237**
Profit / (Loss) for the year	25,906	25,906
Balance as at 31 March 2025	**55,143**	**55,143**
Profit / (Loss) for the year	51,260	51,260
Balance as at 31 March 2026	**1,06,403**	**1,06,403**

As per our report of even date.

M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration Number: 105047W/W101187

Sd/-

Nitin Manohar Jumani
Partner
Membership No.: 111700

Place: Pune
Date: 25 May 2026

For and on behalf of the Board of Directors
of Praj America Inc.

Sd/-
Atul Mulay
Director
(DIN : 06925022)

Sd/-
Sachin Raole
Director
(DIN : 00431438)

1 The Corporate Overview

Praj America Inc., ('PAI' or 'the Company') Company domiciled in United states of America. The Company's registered office is 225, Fluor Daniel Drive, Sugar Land, Texas, 77479, USA.

The Company is engaged in the business of marketing products of its Indian parent company and its subsidiaries in the United States of America

2 Material accounting policies

2.1 Basis of preparation

These special purpose financial statements have been prepared by the management of Praj Americas Inc. USA (the "company") solely for the purpose of consolidation of financial information in Praj Industries Limited (i.e. Holding Company).The special purpose financial statements have been prepared in accordance with the recognition and measurement principles prescribed under the Indian Accounting Standards ("Ind AS"), as notified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. However, these statements do not include all the disclosures required in a complete set of Ind AS-compliant financial statements and, therefore, should not be considered as general-purpose financial statements.

These special purpose financial statements are intended solely for the use of the Board of Directors of the Holding Company. They are not intended to be and should not be used or relied upon by any other party or for any other purpose.

The financial statements were authorised for issue by the Board of Directors on 25 May 2026.

The financial statements have been prepared on a historical cost basis.

These financial statements are presented in US Dollar (USD), 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.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

2.2 Summary of material accounting policies

a. Current versus non-current classification

The Company segregates assets and liabilities into current and non-current categories for presentation in the balance sheet after considering its normal operating cycle and other criteria set out in Ind AS 1, "Presentation of Financial Statements". For this purpose, current assets and liabilities include the current portion of non-current assets and liabilities respectively. Deferred tax assets and liabilities are always classified as non-current.
The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified period up to twelve months as its operating cycle.

b. Foreign currencies

Functional and presentation currency

The Company's financial statements are presented in US Dollar (USD), which is also the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Transaction and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item i.e., translation differences on items whose fair value gain or loss is recognised in Other comprehensive income ('OCI') or statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively.

c. Fair value measurement

The Company measures financial instruments such as investments in bonds/ debentures at fair value through Other Comprehensive income and investments in mutual funds at fair value through Profit and loss at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account 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 market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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 on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments risk management objectives and policies

d. Revenue from Contract with customer:

Revenue is recognised when performance obligation is satisfied by transferring control of promised 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 recognised at cost plus mark-up as and when cost is incurred and services are delivered.

e. Other Income:

Interest income
Interest income from bank accounts is recognised on an accrual basis and is recorded in the Statement of Profit and Loss when it becomes due and measurable.

f. Taxes :

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 the country where the Company operates and generates taxable income. Current tax assets and liabilities are offset only if certain criteria are met, and such offsetting is legally enforceable.

g. Property, Plant and Equipment:

Recognition and measurement
PPE is recognised 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. An item of property, plant and equipment (PPE) **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 Company identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

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. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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 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. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

PPE acquired under leases is depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

The estimated useful lives of items of PPE are mentioned below:

Asset	**Useful life (in years)**
Computers and office equipment	3 - 5
Furniture and fixtures	10

h. **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 Social Security Tax and Medicare – Regular, 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.

i. **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.

j. 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.

k. 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.

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. 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.

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 25 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.

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.

l. 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.

2.3 Material accounting judgments, estimates and assumptions

The preparation of the 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:

- **Estimate of useful life of assets – Note 3**

The Company determines, based on independent technical assessment, the estimated useful lives of its property, plant and equipment and intangible assets for calculating depreciation and amortisation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives periodically and future depreciation and amortisation charge would be adjusted where the management believes the useful lives differ from previous estimates.

- **Fair Value Measurement - Note 18**
  When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of assumption is required in establishing fair values. Assumptions include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Estimation and underlying assumptions are reviewed on ongoing basis. Revisions to estimates are recognised prospectively.

2.4 New and amended standards

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2025. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

(i) Amendments to Ind AS 21 - Lack of exchangeability
The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2025, which amend Ind AS 21, *The Effects of Changes in Foreign Exchange Rates* to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.
The amendments do not have a material impact on the Company’s financial statements.

(ii) Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
The amendments do not have a material impact on the Company’s financial statements.

(iii) Amendments to Ind AS 7 and Ind AS 107 - Supplier Finance Arrangements
In August 2025, the MCA notified amendments to Ind AS 7 *Statement of Cash Flows* and Ind AS 107 *Financial Instruments: Disclosures* to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements.
The amendments do not have a material impact on the Company’s financial statements.

(iv) International Tax Reform—Pillar Two Model Rules - Amendments to Ind AS 12
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.

Praj Americas Inc. USA

Notes to financial statements for the year ended 31 March 2026

(All amounts are in USD unless otherwise stated)

3 Property, Plant and Equipment

	Property, Plant and Equipment		
	Computers & Office Equipment	**Furniture and fixtures**	**Total**
Gross Block			
As at 01 April 2025	2,120	7,169	9,289
Additions during the year	-	-	-
Deletions during the year	-	-	-
As at 31st March 2026	**2,120**	**7,169**	**9,289**
Accumulated depreciation and amortisation			
As at 01 April 2025	2,120	7,169	9,289
Charge for the year	-	-	-
Depreciation on deletions	-	-	-
As at 31st March 2026	**2,120**	**7,169**	**9,289**
Net Carrying Value			
As at 31st March 2026	-	-	**-**
As at 31st March 2025	-	-	-

	Property, Plant and Equipment		
	Computers & Office Equipment	**Furniture and fixtures**	**Total**
Gross Block			
As at 01 April 2024	2,120	7,169	9,289
Additions during the year	-	-	-
Deletions during the year	-	-	-
As at 31st March 2025	**2,120**	**7,169**	**9,289**
Accumulated depreciation and amortisation			
As at 01 April 2024	2,120	7,169	9,289
Charge for the year	-		-
Depreciation on deletions	-	-	-
As at 31st March 2025	**2,120**	**7,169**	**9,289**
Net Carrying Value			
As at 31st March 2025	-	-	**-**
As at 31st March 2024	-	-	-

Praj Americas Inc. USA
Notes to financial statements for the year ended 31 March 2026
(All amounts are in USD unless otherwise stated)

	Particulars	31 March 2026	31 March 2025
4	**Trade Receivables**		
	Current		
	From related parties (Refer Note 17)		
	Unsecured, considered good	2,31,496	2,16,764
		2,31,496	2,16,764
	From others		
	Unsecured, considered good	1,80,000	-
		1,80,000	-
	Less: Provision for doubtful debts	-	-
		4,11,496	**2,16,764**
	Notes -		
	There are no disputed dues at 31 March 2026.		
	Refer note 23 for ageing.		
	There are no outstanding receivables from Directors and persons connnected with Directors.		
5	**Cash and Cash equivalents**		
	Balances with banks		
	On current accounts	1,27,427	1,97,338
		1,27,427	**1,97,338**
6	**Current Tax Liability (Net)**		
	Current Tax Liability (Net)	8,554	7,370
		8,554	**7,370**

Praj Americas Inc. USA
Notes to financial statements for the year ended 31 March 2026
(All amounts are in USD unless otherwise stated)

	Particulars	31 March 2026	31 March 2025
7	**Share capital**		
	Equity Share Capital		
	Authorised, Issued, subscribed and fully paid-up shares		
	40,000 (March 31, 2026 : 40,000) equity shares of $. 5 each.	2,00,000	2,00,000
		2,00,000	**2,00,000**
a	**Shares held by holding/ultimate holding company and/or their subsidiaries/associates:**		
	The Praj Industries Limited, Pune is holding company.		
b	**Details of shareholders holding more than 5% shares in the company:**		
	Equity shares of $ 5 each fully paid	**% of holding**	**% of holding**
	Praj Industries Limited.	100.00%	100.00%

	Particulars	31 March 2026	31 March 2025
8	**Other Equity**		
	Surplus in the Statement of Profit and Loss		
	Balance as per last financial statements	55,143	29,237
	Profit as per statement of profit and loss	51,260	25,906
	Net Surplus in Statement of Profit & Loss	1,06,403	55,143
	Total Other Equity	**1,06,403**	**55,143**
	Surplus in the Statement of Profit and Loss		
	Surplus in the Statement of Profit and Loss includes profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.		
	Financial Liabilities		
9	**Trade Payables**		
	Current		
	-Dues to related parties (Refer Note 17)	1,71,429	1,00,000
	-Dues to others	5,500	13,078
		1,76,929	**1,13,078**
	There are no disputed dues at 31 March 2026.		
	Refer note 23 for ageing.		
	There are no dues pending to Directors and persons connected with Directors.		
10	**Other financial liabilities**		
	Employee benefits payable	16,887	8,361
		16,887	**8,361**
11	**Other Current Liabilities**		
	Advances received from customers	30,150	30,150
		30,150	**30,150**

Praj Americas Inc. USA
Notes to financial statements for the year ended 31 March 2026
(All amounts are in USD unless otherwise stated)

Particulars		31 March 2026	31 March 2025
12	**Revenue from Operations (Refer Note 20)**		
	Reimbursement of marketing and support services	10,65,952	7,21,051
	Sales of Service	3,25,000	-
		13,90,952	**7,21,051**
13	**Employee Benefit Expenses**		
	Salaries, wages and bonus	8,37,352	3,93,802
	Staff welfare	-	17,000
		8,37,352	**4,10,802**
14	**Other Expenses**		
	Testing charges	3,09,525	-
	Travel and conveyance	89,392	1,29,959
	Professional consultancy charges	46,836	83,521
	Communication expenses	2,905	4,147
	Auditors' remuneration		
	for audit services	3,000	-
	Rates and taxes	5,445	-
	Miscellaneous expenses	30,194	58,286
		4,87,297	**2,75,913**

Praj Americas Inc. USA
Notes to financial statements for the year ended 31 March 2026
(All amounts are in USD unless otherwise stated)

	Particulars	31 March 2026	31 March 2025
15	**Income tax**		
A	**Statement of profit and loss:**		
	Current income tax:		
	Current income tax charge	15,050	8,430
	Deferred tax:		
	Relating to origination and reversal of temporary differences	-	-
	Income tax expense reported in the statement of profit and loss	**15,050**	**8,430**
B	**Reconciliation of effective tax rate**		
	Accounting profit before tax	**66,310**	**34,336**
	Tax using the Company's domestic tax rate 21% (March 31, 2025 : 21%)	**13,925**	**7,211**
	Add: Tax effect of		
i	Ineligible Expenses (Meal Expenses)	1,125	1,219
	Total	**15,050**	**8,430**
	Income tax expense reported in the statement of profit and loss	**15,050**	**8,430**

C Movement in Current tax

	Particulars	31 March 2026	31 March 2025
	Current tax (asset)/liability as at beginning of year (Net)	7,370	-
	Add: Additional provision during the year- Statement of Profit and loss account	15,050	9,543
	Less: Current tax paid during the year (Net of refund received received for previous year and adjustment for TDS receivable for previous years)	(13,866)	(2,173)
	Current tax (asset)/liability as at end of year (Net)	8,554	7,370

Praj Americas Inc. USA

Notes to financial statements for the year ended 31 March 2026

(All amounts are in USD unless otherwise stated)

Note 16: Earnings per share

Particulars	31 March 2026	31 March 2025
Reconciliation of basic and diluted shares used in computing earnings per share		
Weighted average number of basic and diluted equity shares	40,000	40,000
Computation of basic and diluted earnings per share		
Net profit after tax attributable to equity shareholders	51,260	25,906
Basic earnings per equity share of $ 5 each	1.28	0.65
Diluted earnings per equity share of $ 5 each	1.28	0.65

Note 17: Related party transactions

a) Parties where control exists

Holding Company	Praj Industries Limited

b) Other group Companies

Praj GenX Limited	Fellow Subsidiary
Praj HiPurity Systems Limited	Fellow Subsidiary
Praj Far East (Philippines) Inc.	Fellow Subsidiary
Praj Far East Co. Limited, Thailand	Fellow Subsidiary
Praj Engineering & Infra Limited	Fellow Subsidiary
Praj Projects (Tanzania) Limited	Fellow Subsidiary
Praj Foundation	Entity on which holding company exercises control

c) Key management personnel

Director	Shrikant Rathi
	Atul Mulay
	Sachin Raole
Director of Holding company	Dr. Pramod Chaudhari
	Ashish Gaikwad
	Mr. Shishir Joshipura (up to 30.06.2025)
	Sachin Raole
	Parimal Chaudhari (upto 11.08.2025)
	Mr. Berjis Desai (from 01.07.2025)
	Dr. Shridhar Shukla
	Mr. Parth Chaudhari (from 11.08.2025)
	Rujuta Jagtap
	Vinayak Deshpande
	Utkarsh Palnitkar
	Ajay Narayan Deshpande

Praj Americas Inc. USA

Notes to financial statements for the year ended 31 March 2026

(All amounts are in USD unless otherwise stated)

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

Particulars	31 March 2026	31 March 2025
Praj Industries Limited		
Expenses incurred and reimbursed by the Company	8,14,706	6,99,963
Purchases	3,09,525	
Receivable	1,94,157	1,95,675
Payable	1,71,429	1,00,000
Praj GenX Limited		
Expenses incurred and reimbursed by the Company	2,51,167	21,088
Receivable	37,260	21,088
Payable	-	-
Shrikant Rathi		
Short term employee benefits	2,63,329	3,19,066
Post employment benefits	14,009	16,217

Note 18: Fair value measurements

As per assessments made by the management, fair values of all financial instruments carried at amortised cost (except as specified below) 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.

Particulars	Carrying value		Fair Value	
	31 March 2026	31 March 2025	31 March 2026	31 March 2025
Financial asset				
Carried at amortised cost				
Trade receivable	4,11,496	2,16,764	4,11,496	2,16,764
Cash and cash equivalents	1,27,427	1,97,338	1,27,427	1,97,338
Trade payables	1,76,929	1,13,078	1,76,929	1,13,078

The fair value of the financial assets and liabilities are included at the amount at which the instrument that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

(i) The management assessed that the fair value of cash and cash equivalents, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

(ii) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

There are no financial assets or liabilities carried at Fair value through other comprehensive income or Fair value through profit and loss

Praj Americas Inc. USA

Notes to financial statements for the year ended 31 March 2026

(All amounts are in USD unless otherwise stated)

Note 19 : Capital commitments, contingent liabilities

As at 31 March 2026, the Company had no capital commitments and no contingent liabilities.

Note 20: Disclosures pursuant to Ind AS 115

I) Revenue by category of contracts:

Particulars	**31 March 2026**	**31 March 2025**
Over a period of time basis	-	-
At a point-in-time basis	13,90,952	7,21,051
Total revenue from contracts with customers	**13,90,952**	**7,21,051**

II) Revenue by geographical market:

Particulars	**31 March 2026**	**31 March 2025**
Within USA	3,25,000	-
Outside USA	10,65,952	7,21,051
Total revenue from contracts with customers	**13,90,952**	**7,21,051**

Note 21: 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. support services to it's holding company.

Note 22 : Employee benefits

a) Defined contribution plans

The Company has recognised USD 53,685 towards post-employment defined contribution plans comprising of provident and superannuation fund in the statement of profit and loss.

Praj Americas Inc. USA

Notes to financial statements for the year ended 31 March 2026

(All amounts are in USD unless otherwise stated)

23 Ageing schedule for Trade Receivables, Trade Payables and Capital Work-in-progress

(A) The table below provides details regarding Trade receivables ageing schedule

Particulars	31 March 2026					
	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	4,11,496	-	-	-		4,11,496
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**4,11,496**	**-**	**-**	**-**	**-**	**4,11,496**

(A) The table below provides details regarding Trade receivables ageing schedule

Particulars	31 March 2025					
	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	1,98,490	-	-	18,274	-	2,16,764
(ii) Undisputed Trade Receivables – credit impaired	-	-	-		-	-
Total	**1,98,490**	**-**	**-**	**18,274**	**-**	**2,16,764**

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

Particulars	31 March 2026				
	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)MSME	-	-	-	-	-
(ii)Other	1,76,929	-	-	-	1,76,929
Total	**1,76,929**	**-**	**-**	**-**	**1,76,929**

Particulars	31 March 2025				
	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)MSME	-	-	-	-	-
(ii)Other	13,078	1,00,000	-	-	1,13,078
Total	**13,078**	**1,00,000**	**-**	**-**	**1,13,078**

Praj Americas Inc. USA

Notes to financial statements for the year ended 31 March 2026

(All amounts are in USD unless otherwise stated)

Note 24 Analytical Ratios

Sr. No.	Ratio	Formula	Numerator	Denominator	31 March 2026	31 March 2025	% Variance	Reason for Variance
1	Current ratio	Current Assets / Current Liabilities	Current assets	Current liabilities	2.32	2.61	-11.03%	Decrease in Inter company Receivables.
2	Return on equity ratio	Profit after tax / Average of Shareholder's Equity	Profit after tax	(Opening Equity Share capital & Other Equity + Closing Equity Share capital & Other Equity)/2	18.26%	10.70%	70.68%	Increase in profit after tax during the year.
3	Trade receivables turnover ratio	Net Credit Sales / Average Trade Receivables	Sales (billed to customer)	(Opening Trade Receivables + Closing Trade Receivables)/2	4.43	3.45	28.29%	Increase in Average trade receivable in Current year compared to Previous year
4	Trade payables turnover ratio	Net Credit Purchases / Average	Net credit purchases	(Opening Trade Payables +	3.36	2.47	36.31%	Decrease in Average trade payable in Current year compared to Previous year
5	Net capital turnover ratio	Revenue from Operations/	Revenue from Operations	(Opening Working Capital +	4.95	2.98	66.40%	Decrease in Average Working capital and Increase in Revenue
6	Net profit ratio	Net Profit / Net Sales	Profit After Tax	Revenue from Operations	3.69%	3.59%	2.57%	Increase in profit after tax during the year.
7	Return on capital employed	EBIT / Capital Employed	Earning Before Interest & Tax	Capital Employed = Total Assets	21.64%	13.46%	60.81%	Increase in profits as compared to increase in working capital

Notes:

Ratios not applicable to the company :

1. Debt - Equity Ratio
2. Debt service coverage ratio
3. Inventory Turnover Ratio
4. Return on investment

Note 25: Financial risk management policy and objectives

Company's principal financial liabilities, comprise 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	Exposure arising from	Measurement
Credit	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Aging analysis, external credit rating (wherever available)
Liquidity risk	Borrowings and other liabilities	Borrowings and other liabilities	Rolling cash flow forecasts
Market risk- Foreign Currency Risk	Recognised financial assets and liabilities not denominated in United states Dollar (USD)	Recognised financial assets and liabilities not denominated in United states Dollar (USD)	Sensitivity Analysis

The company's risk management is carried out by management, under policies approved by the Board of Directors. Company's treasury identifies, evaluates and hedges financial risks in close 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, claims receivable and security deposits when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the company. The company categorises a receivable for provision for doubtful debts/write off when a debtor fails to make contractual payments greater than 180 days past due. The amount of provision depends on certain parameters set by the Company in its provisioning policy Where loans or receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

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

Exposure to risk	**31 March 2026**	**31 March 2025**
Trade receivables	4,11,496	2,16,764
Less : Expected Credit Loss	-	-
	4,11,496	**2,16,764**

	31 March 2026	**31 March 2025**
Trade receivables		
Neither past due nor impaired	-	
Past due but not impaired		
Less than 180 days	4,11,496	1,98,490
181 - 365 days	-	-
More than 365 days	-	18,274
Total	**4,11,496**	**2,16,764**

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is carried out in accordance with practice and limits set by the group. In addition, the company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Exposure to risk	**31 March 2026**	**31 March 2025**
Trade payables		
On demand	-	-
Less than 180 days	1,76,929	13,078
181 - 365 days	-	-
More than 365 days	-	1,00,000
Total	**1,76,929**	**1,13,078**

Note 26 : 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 stakeholders, and
-Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents) divided by total equity and net debt (as shown in the balance sheet.)

The company's strategy is to maintain a gearing ratio 0%. The gearing ratios were as follows:

Particulars	**31 March 2026**	**31 March 2025**
Loans and borrowings	-	-
Less: Cash & Cash equivalent	1,27,427	1,97,338
Net debt	-	-
Equity	3,06,403	2,55,143
Capital and net debt	**3,06,403**	**2,55,143**
Gearing ratio	**0%**	**0%**

Note 27- Standards/ Pronouncement issued but not effective

The below amendments to the existing standard which are notified by Ministry of Corporate affairs but are not yet effective:
Amendment to Ind AS 1 ‘Presentation of Financial Statements’- Classification of Liabilities as current or non-current and non-current liabilities with covenants. The amendment includes specific provisions that will take effect for reporting periods beginning on or after 1 April 2026, retrospectively, as outlined below:

a) Breach of material covenant for long-term loan arrangement on or before end of reporting period with effect that liability becomes payable on demand as on reporting date, then it shall be classified as current liability, if lender agreed after reporting period and before approval of financial statements to not demand payment as a consequence of breach.

b) Classify as non-current liability, if lender agreed by end of reporting period to provide grace period ending at least 12 months after reporting period within which entity can rectify the breach provided lender does not demand immediate repayment.
c) Disclose information about the timing of settlement to understand the impact of the liability on the financial statements.
The Company does not expect this amendment to have an impact on its operations or financial statements.

Note 28 : Others

Prior year figures have been regrouped and reclassified wherever necessary to ensure comparability with the current period’s presentation.

As per our report of even date.

M S K A & Associates LLP
(Formerly known as M S K A
& Associates)
Chartered Accountants
ICAI Firm Registration Number: 105047W/W101187

Sd/-

Nitin Manohar Jumani
Partner
Membership No.: 111700

Place: Pune
Date: 25 May 2026

For and on behalf of the Board of Directors
of Praj America Inc.

Sd/-	Sd/-
Atul Mulay	**Sachin Raole**
Director	Director
(DIN : 06925022)	(DIN : 00431438)