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

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

INDEPENDENT AUDITOR'S REPORT

To the Members of **Praj Engineering & Infra Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Praj Engineering & Infra Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2026, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information 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 Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs 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.

Information Other than the Financial Statements and Auditor's Report Thereon ('other information')

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report.

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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.

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Responsibilities of Management and Board of Directors for the Financial Statements

The Company's Management and Board of Directors are 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. 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 statement 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 Company's Management and Board of Directors of the Company are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Management and Board of Directors is 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.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

Other Matter

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

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 "Annexure B" 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 of the aforesaid financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements 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 (h) (vi) below on reporting under Rule 11 (g).

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the financial statements.

(d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2026, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2026, from being appointed as a director in terms of Section 164 (2) of the Act.

(f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(h)(vi) below on reporting under Rule 11(g).

(g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. Refer Note 11 to the financial statements. The Company did not have any derivative contracts.

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2026.

iv. a. The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 31(vii) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 31(vii) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the

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Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v The Company has not declared or paid dividend during the year.

vi Based on 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 been operated throughout the year for all relevant transactions recorded in the software except that we are unable to comment on audit trail at database level due to absence of SOC report, as explained in Note 34 to the financial statements.

Further, except for above, audit trail feature has operated throughout the year for all relevant transactions recorded in the accounting software. Also, during the course of our audit, we did not come across any instance of audit trail feature being tampered with except for above. Additionally, the audit trail of prior year(s) has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in respective years.

3. In our opinion, according to information, explanations given to us , the remuneration paid or provided by the Company to its directors is within the limits laid prescribed under Section 197 of the Act.

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: 26111700SNMGDX7609

Place: May 22, 2026
Date: Pune

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF PRAJ ENGINEERING & INFRA LIMITED

Auditor's Responsibilities for the Audit of the 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 reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Director'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.

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: 26111700SNMGDX7609

Place: Pune
Date: May 22, 2026

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

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF PRAJ ENGINEERING & INFRA LIMITED FOR THE YEAR ENDED MARCH 31, 2026.

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i. The Company had no property, plant and equipment, and intangible assets, and investment property and right-of-use assets as on March 31, 2026, nor at any time during the year ended March 31, 2026. Accordingly, the provisions stated under clause 3(i) of the Order are not applicable to the Company.

ii. (a) The Company is involved in the business of erection, commissioning and sub-contracting work and does not hold any inventory. Accordingly, the provisions stated under clause 3(ii)(a) of the Order are not applicable to the Company.

ii. (b) During any point of time of the year, the Company has not been sanctioned working capital limits from banks or financial institutions on the basis of security of current assets. Accordingly, the provisions stated under clause 3(ii)(b) of the Order is not applicable to the Company.

iii. According to the information and explanations provided to us, the Company has not made any investment in, 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. Accordingly, the provisions stated under clause 3(iii) of the Order are not applicable to the Company.

iv. According to the information and explanations given to us, there are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013, are applicable and accordingly, the requirement to report under clause 3(iv) of the Order is not applicable to the Company. Further, according to the information and explanations given to us, provisions of sections 186 of the Companies Act, 2013 in respect of investments made have been complied with by the Company.

v. According to the information and explanations given to us, there are no loans, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013, are applicable and accordingly, the requirement to report under clause 3(iv) of the Order is not applicable to the Company. Further, according to the information and explanations given to us, provisions of sections 186 of the Companies Act, 2013 in respect of investments made have been complied with by the Company.

vi. The provisions of sub-Section (1) of Section 148 of the Companies Act, are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products/ services of the Company. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

vii. (a) According to the information and explanations given to us and the records examined by us, in our opinion, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax and other statutory dues have generally been regularly deposited with the appropriate authorities during the year, though there has been a slight delay in a few cases of Profession Tax.

According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

vii. (b) According to the information and explanations given to us and the records examined by us, there are no dues relating to goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, custom duty, excise duty, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute.

viii. According to the information and explanations given to us, there are no transaction which are not recorded in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment under the Income Tax Act, 1961. Accordingly, the requirement to report as stated under clause 3(viii) of the Order is not applicable to the Company.

ix. (a) The Company does not have any loans or borrowings or interest thereon due to any lenders during the year. Accordingly, the requirement to report under clause 3(ix)(a) of the Order is not applicable to the Company.

ix. (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

ix. (c) In our opinion and according to the information and explanations provided to us, no money was raised by way of term loans. Accordingly, the requirement to report under clause 3(ix)(c) of the Order is not applicable to the Company.

ix. (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.

ix (e) The Company does not have any subsidiary, associate, or joint venture. Accordingly, requirement to report under clause 3(ix)(e) and (f) of the order is not applicable to the Company.

x. (a) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting requirement under clause 3(x)(a) of the Order is not applicable to the Company.

x. (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly, or optionally convertible) during the year. Accordingly, the requirements to report under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) Based on our examination of the books and records of the Company and according to the information and explanations given to us, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the year in the course of our audit.

xi. (b) During the year no report under Section 143(12) of the Act, has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

xi. (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and details of such transactions have been disclosed in the note 23 of financial statements as required by the applicable accounting standards.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Companies Act, 2013. Accordingly, requirement to report under clause 3(xiv) (a) and (b) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us, and based on our examination of the records of the Company, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, the requirement to report on clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the requirements to report under clause 3(xvi)(a) of the Order is not applicable to the Company.

xvi. (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3 (xvi)(b) of the Order are not applicable to the Company.

xvi. (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report under clause 3 (xvi)(c) of the Order is not applicable to the Company.

xvi. (d) The Group does not have any Core Investment Company (as part of its group. Accordingly, the requirement to report under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. Based on the overall review of financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the requirement to report under clause 3(xvii) of the Order is not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 30 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Companies Act, 2013, are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred either to a Fund specified in schedule VII of the Companies Act, 2013 or to a Special Account as per the provisions of Section 135 of the Companies Act, 2013 read with schedule VII to the Companies Act, 2013. Accordingly, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

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: 26111700SNMGDX7609

Place: Pune
Date: May 22, 2026

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF PRAJ ENGINEERING & INFRA LIMITED

[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the Members of Praj Engineering & Infra Limited on the Financial Statements for the year ended March 31, 2026]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls with reference to financial statements of Praj Engineering & Infra Limited ("the Company") as of March 31,2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2026, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI').

Management's and Board of Director's Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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: 26111700SNMGDX7609

Place: Pune
Date: May 22, 2026

Praj Engineering & Infra Limited

Balance Sheet as at 31st March 2026

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

	Particulars	Note No.	31 March 2026	31 March 2025
	ASSETS			
(1)	**Non-current assets**			
	Financial assets			
	Investments	3	81.701	100.000
	Other	4	3.847	3.054
	Deferred tax assets (net)	19	45.976	31.132
	Total non-current assets		**131.524**	**134.186**
(2)	**Current assets**			
	Financial assets			
	Investments	3	-	120.000
	Trade receivables	5	255.607	403.263
	Cash and cash equivalents	6	233.597	156.803
	Other bank balances	7	257.500	65.742
	Others	4	5.257	2.356
	Current tax asset (Net)		2.770	8.152
	Other current assets	8	193.908	177.459
	Total current assets		**948.639**	**933.775**
	TOTAL ASSETS		**1080.163**	**1067.961**
	EQUITY AND LIABILITIES			
	Equity			
	Equity share capital	9	3.098	3.098
	Other equity	10	362.469	368.128
	Total equity		**365.567**	**371.226**
	LIABILITIES			
(1)	**Non-current liabilities**			
	Provisions	11	1.361	2.302
	Total non-current liabilities		**1.361**	**2.302**
(2)	**Current liabilities**			
	Financial liabilities			
	Trade payables	12		
	(i) Total outstanding dues of micro enterprises and small enterprises		27.753	12.169
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		240.636	238.315
	Other financial liabilities	13	5.872	13.406
	Other current liabilities	14	406.158	399.710
	Provisions	11	24.294	14.623
	Current tax liabilities (net)		8.522	16.210
	Total current liabilities		**713.235**	**694.433**
	Total liabilities		**714.596**	**696.735**
	TOTAL EQUITY AND LIABILITIES		**1080.163**	**1067.961**

Summary of material accounting policies — 2

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

As per our report of even date.

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

SD/-

Nitin Manohar Jumani
Partner
Membership No.: 111700

Place: Pune
Date: 22 May 2026

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

SD/-

Ashish Gaikwad
Director
(DIN : 07585079)

SD/-

Sachin Raole
Director
(DIN : 00431438)

Place: Pune
Date: 22 May 2026

Praj Engineering & Infra Limited

Statement of Profit and Loss for the year ended 31st March 2026

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

Particulars	Note No.	31 March 2026	31 March 2025
Income			
Revenue from operations	15	1,207.918	1,425.389
Other income	16	31.603	23.677
Total income (A)		**1239.521**	**1449.066**
Expenses			
Employee benefits expense	17	90.035	63.067
Other expenses	18	1,125.142	1,289.105
Total expenses (B)		**1215.177**	**1352.172**
Profit/(loss)before exceptional items and tax (C=A-B)		**24.344**	**96.894**
Exceptional items	35	1.988	-
Profit / (loss) before tax (D)		**22.356**	**96.894**
Tax expense	19		
- Current tax		19.166	30.270
- Deferred tax (Credit)		(12.843)	(4.655)
- Adjustment of tax relating to earlier periods		6.532	1.999
Total tax expense (E)		**12.855**	**27.614**
Profit/(loss) for the period (F=D-E)		**9.501**	**69.280**
Other comprehensive income			
Items that will not be reclassified to profit and loss:			
Re-measurement of defined benefit plans		1.138	(0.159)
-Income tax relating to items that will not be reclassified to profit or loss		(0.286)	-
Net gain/(loss) on FVOCI on equity instrument		(18.299)	-
-Income tax relating to items that will be reclassified to OCI		2.287	-
Total other comprehensive income (G)		**(15.160)**	**(0.159)**
Total comprehensive income for the period		**(5.659)**	**69.121**
Earnings per equity share	20		
(1) Basic		30.67	223.61
(2) Diluted		30.67	223.61
Summary of material accounting policies	2		

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

As per our report of even date.

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

SD/-

Nitin Manohar Jumani
Partner
Membership No.: 111700

Place: Pune
Date: 22 May 2026

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

SD/-

Ashish Gaikwad
Director
(DIN : 07585079)

SD/-

Sachin Raole
Director
(DIN : 00431438)

Place: Pune
Date: 22 May 2026

Praj Engineering & Infra Limited
Statement of changes in equity for the year ended 31st March 2026
(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
Balance as at 1 April 2025	**Changes in equity share capital during the year**	**Balance as at 31 March 2026**
3.098	-	3.098

B. Other equity

Particulars	Reserves and surplus		Equity instruments through Other Comprehensive	Total
	General reserve	Retained earnings		
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**
Profit / (loss) for the year	-	9.501	-	9.501
Other comprehensive income for the year	-	0.852	(16.012)	(15.160)
Balance as at 31 March 2026	**0.230**	**378.251**	**(16.012)**	**362.469**

Summary of material accounting policies 2

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

As per our report of even date.

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

SD/-

Nitin Manohar Jumani
Partner
Membership No.: 111700

Place: Pune
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For and on behalf of the Board of Directors of
Praj Engineering & Infra Limited

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Ashish Gaikwad
Director
(DIN : 07585079)

SD/-

Sachin Raole
Director
(DIN : 00431438)

Place: Pune
Date: 22 May 2026

Praj Engineering & Infra Limited
Statement of Cash flows for the year ended 31st March 2026
(All amounts are in Indian rupees million unless otherwise stated)

	Particulars	31 March 2026	31 March 2025
A.	**Cash flow from operating activities**		
	Net Profit before tax	22.356	96.894
	Adjustments for:		
	Bad debts / Provision for doubtful debts	39.682	22.809
	Provision for doubtful advances	-	2.056
	Excess provision / creditors written back (including advances)	(8.028)	(2.881)
	Interest earned	(22.800)	(20.796)
	Operating profit before working capital changes	**31.210**	**98.082**
	Changes in working capital		
	(Increase) /decrease in trade receivables	107.974	88.278
	(Increase)/decrease in inventories (including contracts in progress)	(11.509)	(32.880)
	(Increase)/decrease in other non-current financial assets	0.050	(1.215)
	(Increase)/decrease in other current assets	(4.940)	20.895
	Increase/(decrease) in trade payables	25.933	(63.469)
	Increase/(decrease) in other current financial liabilities	(7.534)	6.838
	Increase/(decrease) in other current liabilities	6.448	(115.856)
	Increase/(decrease) in long term provisions	0.197	0.807
	Increase/(decrease) in Short term provisions	9.670	0.658
	Cash generated from operations	**157.499**	**2.138**
	Direct taxes paid (including taxes deducted at source), net of refunds	(28.004)	(44.049)
	NET CASH GENERATED/(USED) IN OPERATING ACTIVITIES	**129.495**	**(41.911)**
B.	**Cash flow from investing activities**		
	Investments:		
	- Investment in Equity shares	-	(100.000)
	Interest received on investments	19.900	28.873
	Withdrawal /(Investment) of fixed deposits	(192.601)	74.987
	Withdrawal/(Investment) in Corporate deposits	120.000	50.000
	NET CASH FROM / (USED) IN INVESTING ACTIVITIES	**(52.701)**	**53.860**
C.	**Cash flow from financing activities**	-	-
	NET CASH FROM / (USED) IN FINANCING ACTIVITIES	-	-
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**76.794**	**11.949**
	Cash and cash equivalents at the beginning of the year (Refer Note 6)	**156.803**	**144.854**
	Cash and cash equivalents at the end of the year (Refer Note 6)	**233.597**	**156.803**

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

SD/-

Nitin Manohar Jumani
Partner
Membership No.: 111700

Place: Pune
Date: 22 May 2026

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

SD/-

Ashish Gaikwad
Director
(DIN : 07585079)

SD/-

Sachin Raole
Director
(DIN : 00431438)

Place: Pune
Date: 22 May 2026

Praj Engineering & Infra Limited
Notes to the financial statements for the year ended 31st March 2026
(All amounts are in Indian rupees million unless otherwise stated)

	Particulars	31 March 2026	31 March 2025
3	**Investments**		
	Investments at fair value through other comprehensive income		
	Unquoted equity investments		
	Equity shares of Trualt BioEnergy Limited		
	(31 March 2025 : 203,666 Equity shares of Rs 10 each)	-	100.000
	Quoted equity investments		
	Equity shares of Trualt BioEnergy Limited	81.701	-
	203,666 Equity shares of Rs 10 each (31 March 2025 : 203,666)		
	Total Non Current	81.701	100.000
	Investments at amortised cost		
	Unquoted investments:		
	Deposit with Bajaj Finance Limited	-	120.000
	Total current	-	120.000
	Total Investments	81.701	220.000
	Aggregate book value of quoted investments	100.000	-
	Aggregate market value of quoted investments	81.701	-
	Aggregate book value of unquoted investments	-	220.000
	Investment carried at FVTOCI	81.701	100.000
	Investment carried at amotised cost	-	120.000
4	**Other financial assets**		
	Non-current		
	(Unsecured, considered good)		
	Security deposits	3.004	3.054
	Deposits with banks with maturity of more than 12 months	0.843	-
		3.847	3.054
	Current		
	Interest accrued on fixed deposits and corporate deposits	5.257	2.356
		5.257	2.356
	Total other financial assets	9.104	5.410

Praj Engineering & Infra Limited
Notes to the financial statements for the year ended 31st March 2026
(All amounts are in Indian rupees million unless otherwise stated)

	Particulars	31 March 2026	31 March 2025
5	**Trade receivables**		
	- From others		
	Unsecured, considered good	255.607	403.263
	Unsecured, considered doubtful	134.050	89.508
		389.657	492.771
	Less: Provision for doubtful debts (Refer note 32)	134.050	89.508
		255.607	403.263
	Refer note 29A for ageing.		

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable 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 60 to 90 days.

	Particulars	31 March 2026	31 March 2025
6	**Cash and cash equivalents**		
	Balances with banks		
	On current accounts	126.069	73.421
	Deposits with original maturity of less than 3 months	106.636	82.214
	Cash on hand	0.892	1.168
		233.597	156.803
7	**Other bank balances**		
	Deposits with maturity of more than 3 months but less than 12 months	257.500	65.742
		257.500	65.742
8	**Other current assets**		
	(Considered good, unless otherwise stated)		
	(i) Advance to suppliers		
	Unsecured, considered good	17.425	26.192
	Unsecured, considered doubtful	4.860	4.860
		22.285	31.052
	Less: Provision for doubtful Advances	4.860	4.860
		17.425	26.192
	(ii) Balances with Indirect tax authorities	47.329	40.012
	(iii) Amounts receivable in cash or kind*	0.490	0.728
	(iv) Contracts Asset		
	Contracts in progress (Refer note 21)	68.569	57.060
	Contracts Asset Retention Money	60.095	53.467
		193.908	177.459
	*Includes staff advances for travelling		

Praj Engineering & Infra Limited

Notes to the financial statements for the year ended 31st March 2026

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

	Particulars	31 March 2026	31 March 2025
9	**Share capital**		
	Equity share capital		
	Authorised shares		
	10,00,000 (31 March 2025 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 2025 : 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:**

Equity shares of INR 10 each fully paid	31 March 2026 No.	31 March 2026 Amount	31 March 2025 No.	31 March 2025 Amount
At the beginning and end of the year	**3,09,820**	**3.098**	**3,09,820**	**3.098**

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 preferential amounts.

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

	31 March 2026		31 March 2025	
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 2026		31 March 2025	
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 shares held by promoters:**

	31 March 2026		31 March 2025	
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 2026	31 March 2025
10	**Other Equity**		
	General reserve		
	Balance at the beginning and end of the year	0.230	0.230
	Balance at the end of year	**0.230**	**0.230**
	Equity instruments through Other Comprehensive Income		-
	Balance at the beginning and end of the year	-	-
	Add: Fair value movement	(16.012)	-
	Balance at the end of year	**(16.012)**	**-**
	Surplus in the statement of profit and loss		
	Balance as per last financial statements	367.898	298.777
	Profit / (loss) as per statement of profit and loss	9.501	69.121
	Other comprehensive income -Re-measurement of defined benefit plans	0.852	
	Net Surplus in Statement of Profit & Loss	**378.251**	**367.898**
	Total Other Equity	**362.469**	**368.128**

Nature & Purpose of Reserve

General reserve: The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

Fair value through other comprehensive income reserve

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the equity instruments through other comprehensive income within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Surplus in the statement of profit and loss

Surplus in the statement of profit and loss includes the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. It also include re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

Praj Engineering & Infra Limited
Notes to the financial statements for the year ended 31st March 2026
(All amounts are in Indian rupees million unless otherwise stated)

	Particulars	31 March 2026	31 March 2025
11	**Provisions**		
	Non-current		
	Provision for employee benefits		
	Provision for leave encashment (Refer note 25)	-	2.302
	Provision for gratuity (Refer note 25)	1.361	-
		1.361	2.302
	Current		
	Provision for gratuity (Refer note 25)	2.393	1.523
	Provision for leave encashment (Refer note 25)	2.759	0.329
	Provision for anticipated losses	19.142	12.771
		24.294	14.623
	Total Provisions	25.655	16.925
	Movement in Provision for anticipated losses on revenue contracts		
	Balance of provision as at the beginning of the year	12.771	13.009
	Add: Additional Provision during the year	15.016	10.235
	Less: Provision used/ reversed during the year	(8.645)	(10.473)
	Balance of provision as at the end of the year	**19.142**	**12.771**
12	**Trade payables**		
	Total outstanding dues of micro enterprises and small enterprises	27.753	12.169
	Total outstanding dues of creditors other than micro enterprises and small enterprises (MSMED)	240.636	238.315
		268.389	250.484
	Notes: i. Refer Note 29B 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 26)**.		
13	**Other current financial liabilities**		
	Dues to holding company (Refer note 23)	-	0.142
	Security deposit payable	0.014	8.415
	Employee benefit payable	5.858	4.849
		5.872	13.406
14	**Other current liabilities**		
	Advances received from customers (Refer note 21)	257.485	184.161
	Statutory dues payable*	4.008	3.602
	Dues to customers relating to contracts in progress (Refer Note 21)	144.665	211.947
		406.158	399.710
	*Includes payable for TDS, PF and PT.		

Praj Engineering & Infra Limited
Notes to the financial statements for the year ended 31st March 2026
(All amounts are in Indian rupees million unless otherwise stated)

	Particulars	31 March 2026	31 March 2025
15	**Revenue from operations (Refer note 21)**		
	Sale of services	1207.918	1425.389
	Sale of services	1129.128	1312.594
	Add: Closing contracts in progress	76.097	154.887
	Less: Opening contracts in progress	154.887	267.682
		1207.918	1425.389
16	**Other income**		
	Interest		
	- on fixed deposits	22.800	19.631
	- others	-	1.165
	Excess provision / creditors written back and written off (net)	8.028	2.881
	Other non-operating income	0.775	-
		31.603	23.677
17	**Employee Benefit Expenses**		
	Salaries, wages and bonus	85.070	60.083
	Contributions to provident and other funds (Refer note 25)	3.215	2.217
	Gratuity expense (Refer note 25)	1.750	0.767
		90.035	63.067
18	**Other expenses**		
	Site expenses and labour charges	1,033.493	1,223.901
	Freight and transport	15.378	13.957
	Provision for doubtful debts and advances (Bad debts written off 31 March 2026 : INR NIL ; 31 March 2025: INR 14.190 Mn)	39.682	24.865
	Travel and conveyance	4.123	3.979
	Professional consultancy charges	3.534	3.275
	Insurance	6.391	7.313
	Rent (Refer note 24)	0.265	0.302
	Power and fuel	2.586	2.430
	Communication expenses	0.039	0.023
	Payment to auditor**	0.491	0.258
	Rates and taxes	0.139	-
	Corporate social responsibility (Refer note 27)	2.610	1.941
	Miscellaneous expenses *	16.411	6.861
		1125.142	1289.105
	* Mainly includes security expenses, license fees, tax payments and bank charges		
	****Payment to auditors (Exclusive of Goods and Services tax):**		
	Statutory Audit Fees	0.430	0.207
	Tax audit fees	0.050	0.042
	Out of pocket expenses	0.011	0.009

Praj Engineering & Infra Limited

Notes to the financial statements for the year ended 31st March 2026

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

Note 19: Income Tax

A. Statement of profit and loss:

Particulars	31 March 2026	31 March 2025
Current income tax:		
Current income tax charge	19.166	30.270
Tax relating to earlier periods	6.532	1.999
Deferred tax:		
Relating to origination and reversal of temporary differences	(12.843)	(4.655)
Income tax expense reported in the statement of profit and loss	**12.855**	**27.614**

B. Statement of other comprehensive income:

Particulars	31 March 2026	31 March 2025
Deferred tax:		
Remeasurements gains and losses on post employment benefits	0.286	-
Income tax relating to items that will be reclassified to OCI	(2.287)	
Income tax expense reported in the statement of other comprehensive income	**(2.001)**	**-**

Reconciliation of effective tax rate

Particulars	31 March 2026	31 March 2025
Accounting profit before tax	**22.356**	**96.894**
Tax using the Company's domestic tax rate (31March 2026: 25.168% ; 31 March 2025 25.168%)	**5.627**	**24.386**
Adjustments in respect of current income tax of previous years	6.532	1.999
Add: Tax effect of		
1. Deferred tax effects on earlier year.	-	1.229
2. Donations and other expenses ineligible under Income tax.	0.696	-
Total	**12.855**	**27.614**
Income tax expense reported in the statement of profit and loss	**12.855**	**27.614**

C. Deferred tax

Deferred tax relates to the following: **Deferred tax asset / (liability)**	**Balance sheet**		**Statement of profit and loss & other comprehensive income**	
	31 March 2026	**31 March 2025**	**31 March 2026**	**31 March 2025**
Deferred tax asset				
Provision for doubtful debts & advances	34.961	23.751	(11.210)	(4.082)
Gratuity	0.945	0.383	(0.562)	(0.203)
Leave encashment/exgratia	1.342	1.115	(0.227)	(0.157)
Expenses on which tds is not deducted	1.623	2.669	1.046	(0.273)
Provision for Anticipated losses	4.818	3.214	(1.604)	0.059
On equity Investment through OCI	2.287	-	(2.287)	
Total	**45.976**	**31.132**	**(14.844)**	**(4.656)**
Deferred tax liability				
Property, plant & equipment and intangible assets	-	-	-	-
Total	**-**	**-**	**-**	**-**
Net deferred tax asset / (liability)	**45.976**	**31.132**	**(14.844)**	**(4.656)**
Deferred tax expense/(income)			**(14.844)**	**(4.656)**
- Recognised in statement of profit and loss			(12.843)	(4.655)
- Recognised in statement of other comprehensive income			(2.001)	-

Praj Engineering & Infra Limited

Notes to the financial statements for the year ended 31st March 2026

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

Note 20: 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	3,09,820	3,09,820
Computation of basic and diluted earnings per share		
Net profit after tax attributable to equity shareholders	9.501	69.280
Basic earnings per equity share of Rs. 10 each	30.67	223.61
Diluted earnings per equity share of Rs. 10 each	30.67	223.61

Note 21: Disclosures pursuant to Ind AS 115 Revenue from Contract with Customers

I) Revenue by category of contracts:

Particulars	31 March 2026	31 March 2025
Over a period of time basis	1,068.014	1,230.546
At a point-in-time basis	139.904	194.843
Total revenue from contracts with customers	**1,207.918**	**1,425.389**

II) Revenue by geographical market:

Particulars	31 March 2026	31 March 2025
Within India	1,207.918	1,425.389
Outside India	-	-
Total revenue from contracts with customers	**1,207.918**	**1,425.389**

III) Transaction price allocated to the remaining performance obligations of running projects

Particulars	31 March 2026	31 March 2025
Remaining performance obligations	1289.081	1169.197

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

IV) Contract balances

Particulars	31 March 2026	31 March 2025
Trade receivables	255.607	403.263
Contract Assets (Retention)	60.095	53.467
Contract Assets (unbilled revenue)	68.569	57.060
Contract Liability (Unearned revenue)	144.665	211.947
Contract Liability (Advances received from customer)	257.485	184.161

As regular project life cycle last 12 to 24 months, the company expects that significant portion of remaining performance obligation, will be completed within next two financial year.
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.

V) The explanation of the significant changes in the unbilled and unearned balances during the reporting period is presented in the table below:

Particulars	31 March 2026	31 March 2025
Opening unbilled revenue excluding retention (Refer note 8)	57.060	24.180
Opening unearned revenue (Refer note 14)	211.947	291.862
Net opening contract asset	**(154.887)**	**(267.682)**
- Transfer of Contract Asset to Receivables	1,129.128	1,312.594
- Increase in Revenue as a result of POCM change transferred from Unearned Revenue	1,207.919	1,425.389
- Others	-	
Closing unbilled revenue (Refer note 8)	68.569	57.060
Closing unearned revenue (Refer note 14)	144.665	211.947
Net closing contract asset	**(76.096)**	**(154.887)**

Praj Engineering & Infra Limited

Notes to the financial statements for the year ended 31st March 2026

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

Note 22: 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 23: Related party transactions

a) Parties where control exists

Holding Company **:** Praj Industries Limited

b) Fellow-Subsidiary Companies :

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

c) Key management personnel

Atul Mulay
Dattatraya Nimbolkar
Shishir Joshipura (upto 30th June, 2025)
Ashish Gaikwad (from 24th April 2025)
Sachin Raole
Vivek Sukhatankar
Dilip Deshpande
Avinash Padhye

d) Director of Holding company

Dr. Pramod Chaudhari
Shishir Joshipura (upto 30th June 2025)
Ashish Gaikwad (from 03rd February 2025)
Sachin Raole
Parimal Chaudhari (up to 11th August 2025)
Dr. Shridhar Shukla
Rujuta Jagtap
Vinayak Deshpande
Utkarsh Palnitkar
Ajay Narayan Deshpande
Parth Chaudhari (from 11th August 2025)
Berjis Desai (from 01st July 2025)

e) Other related parties with whom transactions have been taken place during the year

Praj Foundation *

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

Particulars	31 March 2026	31 March 2025
A. Praj Industries Limited		
Transactions during the year		
Purchases of goods and services	8.915	-
Expenses incurred and reimbursed to Holding company	2.064	0.432
Expenses incurred and reimbursed by Holding company	10.275	2.909
Rent paid	0.190	0.170
Balance Outstanding		
Trade Receivable	0.070	-
Trade Payable	-	0.142
B. Praj Foundation		
Transactions during the year		
CSR expenditure incurred	2.610	1.941
C. 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	0.001

* Entity on which holding company exercises control.

Praj Engineering & Infra Limited

Notes to the financial statements for the year ended 31st March 2026

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

Note 24: Leases

The Company has entered into lease arrangements for office space and accommodation for its employees and has decided to not apply requirements 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 2026	31 March 2025
Lease payments debited to statement of profit and loss		
- cancellable leases	0.265	0.302

Note 25: Employee benefits

a) Defined contribution plans

The Company has recognised INR 3.215 Mn (31 March 2025: INR 2.217 Mn) 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 2026	31 March 2025
Present value of obligation as at the beginning of the period	**2.701**	**1.807**
Interest cost	0.172	0.126
Past service cost	1.988	-
Current service cost	1.660	0.717
Benefits paid	(0.222)	(0.105)
Remeasurements on obligation - (gain) / loss	(1.185)	0.156
Present value of obligation as at the end of the period	**5.114**	**2.701**

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

Particulars	31 March 2026	31 March 2025
Fair value of plan assets at the beginning of the period	**1.177**	**1.010**
Interest income	0.084	0.076
Contributions	0.148	0.100
Adjustment entry	(0.001)	(0.006)
Return on plan assets, excluding amount recognized in interest income - gain / (loss)	(0.047)	(0.003)
Fair value of plan assets as at the end of the period	**1.361**	**1.177**
Actual return on plan assets	0.074	0.036

Amounts recognised in the balance sheet are as follows:

Particulars	31 March 2026	31 March 2025
Present value of obligation as at the end of the period	5.114	2.701
Fair value of plan assets as at the end of the period	1.361	1.177
Surplus / (deficit)	**(3.754)**	**(1.523)**

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

Particulars	31 March 2026	31 March 2025
Current service cost	1.660	0.717
Past service cost	1.988	0.000
Net interest (income) / expense	0.090	0.050
Net periodic benefit cost recognised in the statement of profit and loss at the end of the period	**3.738**	**0.767**

Praj Engineering & Infra Limited

Notes to the financial statements for the year ended 31st March 2026

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

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

Particulars	31 March 2026	31 March 2025
Opening amount recognised in OCI outside statement of profit and loss	0.185	0.026
Remeasurement for the year - obligation (gain) / loss	(1.185)	0.156
Remeasurement for the year - plan assets (gain) / loss	0.047	0.003
Total remeasurements cost / (credit) for the year	**(1.138)**	**0.159**
Less: Amount transferred to retained earnings	-	-
Closing amount recognised in OCI outside statement of profit and loss	**(0.953)**	**0.185**

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

Particulars	31 March 2026	31 March 2025
Interest (income) / expense - obligation	0.172	0.126
Interest (income) / expense - plan assets	(0.084)	(0.076)
Net interest (income) / expense for the year	**0.088**	**0.050**

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 2026	31 March 2025
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 2026	31 March 2025
Discount rate	7.10%	6.70%
Rate of increase in compensation levels	9.00%	9.00%
Expected rate of return on plan assets	6.70%	7.20%
Expected average remaining working lives of employees (in years) *	5.49	8.46
Withdrawal rate		
Age upto 30 years	17.00%	10.00%
Age 31 - 40 years	17.00%	10.00%
Age 41 - 50 years	17.00%	10.00%
Age above 50 years	17.00%	10.00%

* It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

The code on social security 2020:

During the year ended 31 March 2026, the Central Government of India has notified the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code,2020,collectively referred to as the 'New Labour Codes', effective from 21 November 2025 primarily impacting the wage definition to be considered for the purpose of defined benefit obligation relating to gratuity.

The new Labour Codes introduced by the Government of India, interalia, requires gratuity and leave encashment to be calculated based on wages constituting at least 50% of total remuneration. This has resulted in an increase in liability for past service periods. Accordingly, the Company has recognised past service cost aggregating to INR 1.988 millions during the year in accordance with Ind AS 19.

The Company is in the process of evaluating incremental liability on account of contract labour and other possible impacts. However, management is of the view that expected impact unlikely to be material. The Company continues to monitor the finalisation of Central/State Rules and clarifications from the Government and would provide appropriate accounting effect as and when such clarifications are issued/rules are notified.

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 2026	31 March 2025
6.10% (5.70%)	5.377	2.917
8.10% (7.70%)	4.876	2.511

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 2026	31 March 2025
8.00% (8.00%)	4.924	2.536
10.00% (10.00%)	5.321	2.884

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

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 2026	31 March 2025
16.00% (9.00%)	5.137	2.729
18.00% (11.00%)	5.095	2.675

Expected contributions for the next year

The Company expects to fund INR 3.800 Mn (31 March 2025: INR 0.250 Mn) towards its gratuity plan during the year 2026-27.

Average duration

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal rate and interest rate) is 8.78 years (31 March 2025: 13.48 years).

Maturity analysis

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

Particulars	31 March 2026	31 March 2025
Less than a year	0.487	0.155
Between 1-3 years	2.314	0.970
Between 4–5 years	1.080	0.527
More than 5 years	7.045	4.063

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 provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) Asset Risks

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

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.

Praj Engineering & Infra Limited

Notes to the financial statements for the year ended 31st March 2026

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

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 2026**	**31 March 2025**
Present value of obligation as at the beginning of the period	2.631	1.495
Interest cost	0.154	0.098
Current service cost	1.174	0.515
Benefits paid	(0.686)	(0.265)
Remeasurements on obligation - (gain) / loss	(0.514)	0.788
Present value of obligation as at the end of the period	2.759	2.631

The liabilities for compensated absences represent the Company's obligations for Privileged/earned leave and are classified as other long-term employee benefits. These liabilities are presented as current, as the Company does not have an unconditional right to defer settlement of these obligations. Accordingly, the entire balance is treated as a current obligation as at the reporting date. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leave or require settlement within the next 12 months. The portion of the liability for compensated absences not expected to be settled within the next 12 months amounts to INR 2.759 million (31 March 2025: INR 2.631 million). The expense recognised in the statement of profit and loss for the year amounts to INR 0.814 million (31 March 2025: INR 1.401 million).

Note 26: 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, 2026. The disclosure pursuant to the said Act is as under:

Particulars	**31 March 2026**	**31 March 2025**
Total outstanding amount in respect of micro and small enterprises	27.753	12.169
Principal amount due and remaining unpaid	-	-
Interest due on above and unpaid interest	0.168	0.152
Interest paid	-	-
Payment made beyond appointment day	2.875	1.402
Interest due and payable for the period of delay	0.019	0.016
Interest accrued and remaining unpaid (excluding interest accrued for earlier years)	0.019	0.016
Amount of further interest remaining due and payable in succeeding years	0.187	0.168

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 27: Corporate Social Responsibility (CSR) expenditure

During the year, the Company has incurred CSR expenses of INR 2.610 Mn(31 March 2025: INR 1.941 Mn) included in Miscellaneous Expenses (Refer Note 18) as follows:

Amount spent on	**Amounts paid in FY 2025-26**	**Amounts paid in FY 2024-25**
Construction/acquisition of asset	Nil	Nil
On other purposes covered under Schedule VII to Companies Act, 2013	2.610	1.941

Particulars	**31 March 2026**	**31 March 2025**
a) Amount required to be spent by the company during the year	2.511	1.938
b) Amount of expenditure spent	2.610	1.941
i) Incurred through related party - Praj Foundation	2.610	1.941
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	2.610	1.941
f) Nature of CSR activities	CSR activities primarily include amount given to Praj Foundation which is the trust that has been used for promoting health care, skills development and promoting education including employment enhancing vocation.	
g) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	Praj Foundation	
h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	NA	

Praj Engineering & Infra Limited

Notes to the financial statements for the year ended 31st March 2026

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

Note 28: 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		Fair value	
		31 March 2026	31 March 2025	31 March 2026	31 March 2025
	Financial asset				
A	**Level 1**				
i)	**Carried at fair value through other comprehensive income (FVTOCI)**				
	Investments (Quoted)	81.701	100.000	81.701	100.000
B	**Level 2**				
i)	**Carried at amortised cost**				
	Investments	-	120.000	-	120.000
	Security deposits	3.004	3.054	3.004	3.054
	Trade receivable	255.607	403.263	255.607	403.263
	Deposits with banks	257.500	65.742	257.500	65.742
	Other receivables	5.257	2.356	5.257	2.356
	Cash and cash equivalents	233.597	156.803	233.597	156.803
	Level 2				
	Financial liabilities				
a)	**Carried at amortised cost**				
	Trade payables	268.389	250.484	268.389	250.484
	Other payables	5.872	13.406	5.872	13.406

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 amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security and term deposits are not significantly different from the carrying amount.

(iii) 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 profit and loss.

Praj Engineering & Infra Limited

Notes to the financial statements for the year ended 31st March 2026

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

29 Note 29: Ageing schedule for Trade Receivables and Trade Payables

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

Particulars		**31 March 2026**					
	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	54.564	138.577	29.729	21.298	11.439	-	255.607
(ii) Undisputed Trade Receivables – credit impaired	-	-	3.304	9.378	28.004	93.364	134.050
(v) Disputed Trade Receivables – considered good							-
(vi) Disputed Trade Receivables – credit impaired							-
Gross trade receivable	54.564	138.577	33.033	30.676	39.443	93.364	389.657
Less: Impairment Allowance							(134.050)
Total	**54.564**	**138.577**	**33.033**	**30.676**	**39.443**	**93.364**	**255.607**

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	23.235	51.450	25.734	12.396	403.263
(ii) Undisputed Trade Receivables – credit impaired	-	-	2.582	19.678	23.796	43.452	89.508
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(vi) Disputed 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**

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

Particulars		**31 March 2026**				
	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)Micro and small Enterprises-Undisputed	20.070	5.866	0.349	0.689	0.779	27.753
(ii)Other-Undisputed	118.076	87.632	19.012	8.083	7.833	240.636
Total	**138.146**	**93.498**	**19.361**	**8.772**	**8.612**	**268.389**

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)Micro and small Enterprises-Undisputed	11.777	0.392	-	-	-	12.169
(ii)Other-Undisputed	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**

Praj Engineering & Infra Limited
Notes to the financial statements for the year ended 31st March 2026
(All amounts are in Indian rupees million unless otherwise stated)

30 Analytical Ratio

Sr. No.	Ratio	Formula	Numerator	Denominator	31 March 2026	31 March 2025	% Variance	Reason for Variance (Greater than 25%)
1	Current ratio	Current Assets / Current Liabilities	Current assets	Current liabilities	1.33	1.34	-0.75%	N.A.
2	Return on equity ratio	Profit after tax / Average of Shareholder's Equity	Profit after tax	Average Shareholder's Equity = (Opening Shareholder's Fund + Closing Shareholder's Fund)/2	0.03	0.21	-85.71%	Variance is on account of decrease in Revenue and increase in operating expenses.
3	Trade receivables turnover ratio	Net Credit Sales / Average Trade Receivables	Sales (billed to customer)	(Opening Trade Receivables + Closing Trade Receivables)/2	3.43	2.86	19.93%	N.A.
4	Trade payables turnover ratio	Net Credit Purchases / Average Trade Payables	Net Credit Purchase	(Opening Trade Payables + Closing Trade Payables)/2	4.04	4.36	-7.34%	N.A.
5	Net capital turnover ratio	Revenue from Operations/ Average Working Capital	Revenue from Operations	(Opening Working Capital + Closing Working Capital)/2	5.09	5.55	-8.29%	N.A.
6	Net profit ratio	Net Profit / Net Sales	Profit After Tax	Revenue from Operations	1%	5%	-80.00%	Variance is on account of decrease in project margins.
7	Return on capital employed	Earning Before Interest & Tax (EBIT)* 100 / Capital Employed	Earning Before Interest & Tax (EBIT)	Capital Employed = Total Equity + Debt + Defferred Tax Liability/(Assets)	0.07	0.29	-75.86%	Variance is on account of decrease in turnover, profit margins and increase in overheads.
8	Return on investment	Income from Investments* 100 / Investment	Income from Investments = Interest on Fixed Deposits	Investment = Fixed Deposits (Cash & Bank Balances)	6.8%	7.2%	-5.56%	N.A.

Notes:

Ratios not applicable to the company :
1. Debt - Equity Ratio
2. Debt service coverage ratio
3. Inventory turnover ratio

31 Other Notes

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

The Company does not own any immovable property.

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;

viii 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.

ix Details of Crypto Currency or Virtual Currency

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

x Utilisation of borrowings availed from banks and financial institutions

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

xi 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.

xii 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.

xiii Compliance with approved scheme(s) of Arrangements:

The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

Note 32: 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	Measurement	Management
Credit risk	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	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 initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward looking information such as:

(i) Actual or expected significant adverse changes in business,
(ii) Actual or expected significant changes in the operating results of the counterparty,
(iii) Financial or economic conditions that are expected to cause a significant change to counterparty's ability to meet its obligations,
(iv) Significant increases in credit risk on other financial instruments of the same counterparty,
(v) Significant changes in the value of collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

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.

Praj Engineering & Infra Limited

Notes to the financial statements for the year ended 31st March 2026

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

Provision for expected credit loss

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

Exposure to risk	As at 31 March 2026	As at 31 March 2025
Trade receivables	389.657	492.771
Retention	60.095	53.467
Contract assets	68.569	57.060
Less : Allowance for expected credit loss	134.050	89.508
	384.271	**513.790**

	As at 31 March 2026	As at 31 March 2025
Trade receivables		
Neither past due nor impaired	183.228	158.548
Less than 180 days past due	138.577	242.427
181 - 365 days past due	33.033	25.817
More than 365 days past due	163.483	176.506
Gross trade receivables	**518.321**	**603.298**
Less: Allowance for expected credit loss	(134.050)	(89.508)
Total	**384.271**	**513.790**

Reconciliation of allowance for expected credit loss on trade receivables and contract	For the year ended FY 2025-26	For the year ended FY 2024-25
Opening loss allowance	89.508	75.347
Bad debts written off	-	(14.191)
Additional allowance	44.542	28.352
Closing loss allowance	**134.050**	**89.508**

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	As at 31 March 2026	As at 31 March 2025
Other financial liabilities		
Less than 365 days	5.872	13.406
Total	**5.872**	**13.406**
Trade payables		
Not Due	138.146	241.038
Less than 365	93.498	5.351
More than 365 days	36.745	4.095
Total	**268.389**	**250.484**

(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 33: 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' (as shown in the balance sheet).

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

	As at 31 March 2026	As at 31 March 2025
Loans and borrowings	-	-
Less: cash and cash equivalents	233.597	156.803
Net debt	-	-
Equity	365.567	371.226
Capital and net debt	**365.567**	**371.226**
Gearing ratio	**0%**	**0%**

Praj Engineering & Infra Limited
Notes to the financial statements for the year ended 31st March 2026
(All amounts are in Indian rupees million unless otherwise stated)

Note 34 : Audit Trail
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 been operated throughout the year for all relevant transactions recorded in the software except audit trail at database level due to absence of SOC report.
Further, audit trail feature has operated throughout the year for all relevant transactions recorded in the accounting software. Also, there was no instance of audit trail feature being tampered with except for above. Additionally, the audit trail of prior years has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in respective years.

Note 35 : Exceptional Item
Effective 21 November 2025, the Government of India consolidated 29 existing labour regulations into four Labour codes, namely, The Code on Wages, 2019, The Industrial Relations Code, 2020, The Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020, collectively referred to as the 'New Labour Codes'. The New Labour Codes have resulted in a one-time material increase in provision for employee benefits on account of recognition of past service costs. Based on the requirements of the New Labour Codes and ICAI clarification, the Company has assessed and accounted for a net incremental impact of ₹1.988 million. Considering the one-time material increase in provision the impact is recognised as 'Exceptional Item' for the year ended 31 March 2026.

Note 36: Compliance with Section 143 (3) for Maintenance of Books of Account
With effect from August 5, 2022, the Ministry of Corporate Affairs (MCA) has amended the Companies (Accounts) Rules, 2014, relating to maintenance of electronic books of account and other relevant books and papers. Pursuant to this amendment, the Company is required to maintain the books of account which are accessible in India at all times and their backup is to be kept on servers located in India on a daily basis.
The Company has a process to take daily back-up of book of accounts maintained in electronic mode and along with the logs of the back-up of such books of account.

Requirements u/s 143(3) of the Act	Compliance/remarks
Books of Account maintained on cloud/ servers physically located in India	Yes
Backup maintained in India on daily basis	Yes

Note 37: 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 38- Regrouping
Prior year figures have been regrouped and reclassified wherever necessary to ensure comparability with the current period's presentation. The reclassification pertains to following:
Interest on defined benefit plans are reported under employee benefits expense, which were earlier included in finance costs.

As per our report of even date.

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

SD/-

Nitin Manohar Jumani
Partner
Membership No.: 111700
Place: Pune
Date: 22 May 2026

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

SD/-

Ashish Gaikwad
Director
(DIN : 07585079)
Place: Pune
Date: 22 May 2026

SD/-

Sachin Raole
Director
(DIN : 00431438)