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 GenX Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Praj GenX 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.

Material uncertainty related to going concern

We draw attention to Note no. 42 of the financial statements which states that the Company has incurred net loss of Rs. 1,049.423 million during the year ended March 31, 2026, and has accumulated losses amounting to Rs. 1,831.675 million as at March 31, 2026, which has fully eroded the net worth of the Company as on that date. Also, the Company's current liabilities have exceeded its current assets by Rs. 222.321 million as on that date. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

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.

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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.

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

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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) The matter described above is the Material uncertainty related to Going concern section of our report, in our opinion, may have an adverse effect on the functioning of the Company.

(f) 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.

(g) 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(i)(vi) below on reporting under Rule 11(g).

(h) 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".

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 did not have any long-term contracts for which there were any material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2026.

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 36(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) 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 36(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 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 38 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 and based on the information and explanations provided to us, the Company is a newly incorporated entity and has not yet completed seven years since its incorporation. Accordingly, the provisions of Section 197, read with Schedule V are not applicable to the Company.

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.:
UDIN: 26111700QBEKQM9659

Place: Pune
Date: May 25, 2026

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ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF PRAJ GENX 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: 26111700QBEKQM9659

Place: Pune
Date: May 25, 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 GENX 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. (a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.

(a) B The Company has maintained proper records showing full particulars of intangible assets.

(b) All the Property, Plant and Equipment, right of use assets were physically verified by the management during the year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in Note 3 of the financial statements, are held in the name of company.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3 (i) (e) of the Order are not applicable to the Company.

ii. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage and procedure of such verification is reasonable and appropriate~~.~~, having regard to the size of the Company and the nature of its operations. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During any point of time of the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores rupees, in aggregate from Banks on the basis of security of current assets.

Based on the records examined by us in the normal course of audit of the financial statements, quarterly statements filed with such Banks are in agreement with the books of accounts of the Company.

iii. According to the information and explanations provided to us, the Company has not made any investments in, or 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.

v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of the provisions of Sections 73 to 76 of the Act and the rules framed there under. Accordingly, the requirement to report under clause 3(v) of the Order is not applicable to the Company.

vi. The provisions of sub-Section (1) of Section 148 of the Companies Act, 2013 are not applicable to the Company as the Company does not meet the thresholds prescribed therein read with related Rules. 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, profession tax, customs duty and other statutory dues have generally been regularly deposited with the appropriate authorities.

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.

(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, customs 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) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.

(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.

(c) In our opinion and according to the information and explanations provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised. Refer Note 36 (xiv) to the financial statements.

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(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.

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

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

(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 has been noticed or reported during the year in the course of our audit.

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

(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 Act, where applicable and details of such transactions have been disclosed in the note 28 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.

(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.

(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 rep© under clause 3 (xvi)(c) of the Order is not applicable to the Company.

(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 incurred cash losses in the current financial year of Rs. 667.93 million and in the immediately preceding financial year of 404.19 million.

xviii. There has been resignation of the erstwhile statutory auditors during the year. No issues, objections or concerns were raised by the outgoing auditor.

xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 42 to the financial statements), ageing and expected dates of realisation of financial assets and payment of 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 and considering that the Company has obtained a letter of financial support from the Holding Company, 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, provisions of Section 135 of the Companies Act, 2013, are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) 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: 26111700QBEKQM9659

Place: Pune
Date: May 25, 2026

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Cerebrum IT Park, Kalyani Nagar
Pune 411014, INDIA

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

[Referred to in paragraph 2(h) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the Members of Praj GenX 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 GenX 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.

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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: 26111700QBEKQM9659

Place: Pune
Date: May 25, 2026

Praj GenX Limited

Balance sheet as at 31 March 2026

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

Particulars	Note no.	31 March 2026	31 March 2025
ASSETS			
Non-current assets			
Property, plant and equipment	3	638.898	559.942
Capital work-in-progress	3	30.475	39.143
Right-of-use assets	3	1032.508	1330.455
Intangible assets	3	4.308	5.897
Financial assets			
Others	4	310.146	255.401
Deferred tax assets (net)	23D	380.136	167.748
Other assets	5	23.478	72.329
Total non-current assets		**2419.949**	**2430.915**
Current assets			
Inventories	6	131.360	73.209
Financial assets			
Trade receivables	7	164.118	33.017
Cash and cash equivalents	8a	22.101	51.462
Other bank balances	8b	-	13.391
Others	4	-	0.103
Current tax asset (net)		3.679	0.331
Other assets	5	177.221	138.743
Total current assets		**498.479**	**310.256**
TOTAL ASSETS		**2918.428**	**2741.171**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	9	0.500	0.500
Other equity	10	(1831.675)	(783.938)
TOTAL EQUITY		**(1831.175)**	**(783.438)**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	11	3206.210	1678.421
Lease Liabilities	29	819.233	1170.670
Other financial liabilities	14	3.360	8.650
Provisions	12	-	3.972
Total non-current liabilities		**4028.803**	**2861.713**
Current liabilities			
Financial liabilities			
Trade payables	13		
(i) Total outstanding dues of micro enterprises and small enterprises		51.955	38.816
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		145.680	63.792
Lease Liabilities	29	393.175	289.532
Other financial liabilities	14	64.007	69.137
Other current liabilities	15	45.818	197.642
Provisions	12	20.165	3.977
Total current liabilities		**720.800**	**662.896**
TOTAL LIABILITIES		**4749.603**	**3524.609**
TOTAL EQUITY AND LIABILITIES		**2918.428**	**2741.171**
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 and on behalf of the Board of Directors of Praj GenX Limited

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: 25 May 2026

Sd/-
Dr. Pramod Chaudhari
Chairman
(DIN : 00196415)

Sd/-
Abhijit Dani
CBO and Whole time Director
(DIN : 06767700)

Sd/-
Ashish Gaikwad
Director
(DIN : 07585079)

Sd/-
Sachin Raole
Director
(DIN : 00431438)

Sd/-
Hiranya Deshmukh
Company Secretary
(M. No.: A51912)

Place: Pune
Date: 25 May 2026

Praj GenX Limited

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

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

Particulars	Note no.	31 March 2026	31 March 2025
Revenue from operations	16	889.376	277.756
Other income	17	26.404	26.486
Total income		**915.780**	**304.242**
EXPENSES			
Cost of materials consumed	18	313.683	76.486
Employee benefits expense	19	266.099	218.610
Finance costs	20	405.955	276.200
Depreciation and amortisation expense	21	459.482	370.964
Other expenses	22	730.011	268.907
Total expenses		**2175.230**	**1211.167**
Profit/ (loss) before exceptional items and tax		**(1259.450)**	**(906.925)**
Exceptional items	40	(2.711)	-
Profit/ (loss) before tax		**(1262.161)**	**(906.925)**
Tax expense	23		
Current tax		-	-
Deferred tax (credit)		(212.737)	(161.335)
Adjustments of tax relating to earlier periods		-	5.094
Total tax expense		**(212.737)**	**(156.241)**
		16.85%	
Profit/ (loss) for the year		**(1049.423)**	**(750.684)**
Other comprehensive income			
Items that will not be reclassified to profit and loss:			
Re-measurement of defined benefit plans		2.035	(0.579)
Income tax effect		(0.349)	0.065
Other comprehensive income/ (loss)		**1.686**	**(0.514)**
Total comprehensive income/ (loss) for the year		**(1047.737)**	**(751.198)**
Earnings per equity share (In Rs.) (Nominal value per share INR 2 each)	24		
Basic		(4,197.69)	(3,002.74)
Diluted		(4,197.69)	(3,002.74)
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 and on behalf of the Board of Directors of Praj GenX Limited

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Hiranya Deshmukh
Company Secretary
(M. No.: A51912)

Place: Pune
Date: 25 May 2026

Praj GenX Limited

Cash flow statement for the period ended 31 March 2026

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

Particulars	31 March 2026	31 March 2025
Cash flow from operating activities		
Profit before tax	**(1262.161)**	**(906.925)**
Adjustments for:		
Bad debts / provision for doubtful debts and advances	23.908	5.275
Excess provision / creditors written back (including advances)	(0.043)	0.000
Unrealised foreign exchange (gain) / loss (net)	(5.712)	(0.554)
Depreciation and amortisation	459.482	370.964
Interest earned	0.071	(3.315)
Interest on account of unwinding of security deposits	(21.477)	(15.383)
Provision for warranty	6.167	1.517
Interest on Lease Liability	131.865	140.915
Interest on inter corporate loan	247.114	121.421
Operating profit before working capital changes	**(420.786)**	**(286.085)**
Changes in working capital:		
Decrease/ (Increase) in trade receivables	(146.826)	53.139
(Increase)/Decrease in inventories (including contracts in progress)	(72.106)	(61.808)
(Increase)/Decrease in other non-current financial assets	(52.860)	(112.632)
Decrease/(Increase) in other non-current assets	8.732	(23.590)
Decrease/(Increase) in other current assets	(24.525)	(116.578)
(Decrease)/Increase in trade payables	92.385	26.352
(Decrease)/Increase in other non-current financial liabilities	(5.290)	8.650
(Decrease)/ Increase in other current financial liabilities	(4.332)	25.787
(Decrease)/Increase in other current liabilities	(151.825)	192.506
(Decrease)/Increase in long term provisions	0.000	1.229
(Decrease)/Increase in short term provisions	8.085	2.308
Cash generated from operations	**(769.347)**	**(290.723)**
Direct taxes paid (including taxes deducted at source), net of refunds	(3.347)	(5.398)
NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	**(772.694)**	**(296.121)**
Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(120.056)	(379.834)
Interest received on investments	0.032	3.247
(Investment in) /redemption of fixed deposits	21.780	(21.780)
NET CASH (USED) IN INVESTING ACTIVITIES (B)	**(98.244)**	**(398.367)**
Cash flow from financing activities		
Repayment of borrowings	(255.000)	(440.500)
Proceeds from borrowings	1598.200	1209.500
Interest payment on Lease Liability	(131.865)	(140.915)
Principal payment on Leases	(307.180)	(70.077)
Stamp duty on leases	-	(8.255)
Interest paid	(62.525)	(40.235)
NET CASH FROM / (USED) IN FINANCING ACTIVITIES (C)	**841.631**	**509.519**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(29.307)	(184.969)
Cash and cash equivalents at the beginning of the year (Refer Note 8a)	51.462	236.430
Add: effect of exchange rate changes on cash and cash equivalents	(0.054)	-
Cash and cash equivalents at the end of the year (Refer Note 8a)	**22.101**	**51.462**

Notes:

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

Refer note 31 for disclosure with regard to changes in liabilities arising from financing activities as required by 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: 25 May 2026

For and on behalf of the Board of Directors of Praj GenX Limited

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Chairman
(DIN : 00196415)

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(DIN : 06767700)

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Director
(DIN : 07585079)
Place: Pune
Date: 25 May 2026

Sd/-

Sachin Raole
Director
(DIN : 00431438)

Sd/-

Hiranya Deshmukh
Company Secretary
(M. No.: A51912)

Praj GenX Limited

Statement of changes in equity for the period ended 31 March 2026

(Amounts in Indian Rupees million unless otherwise stated)

A. Equity share capital

Balance as on 1 April 2025	Changes in equity share capital during the year	Balance as on 31 March 2026
0.500	-	0.500

Balance as on 1 April 2024	Changes in equity share capital during the year	Balance as on 31 March 2025
0.500	-	0.500

B. Other equity

Particulars	Reserves and Surplus	Total
	Retained earnings	
Balance at the beginning of the reporting period as at 1 April 2025	**(783.938)**	**(783.938)**
Profit for the year	(1049.423)	(1049.423)
Other comprehensive income	1.686	1.686
Balance as at 31 March 2026	**(1831.675)**	**(1831.675)**

Particulars	Reserves and Surplus	Total
	Retained earnings	
Balance at the beginning of the reporting period as at 1 April 2024	**(32.740)**	**(32.740)**
Profit for the year	(750.684)	(750.684)
Other comprehensive income	(0.514)	(0.514)
Balance as at 31 March 2025	**(783.938)**	**(783.938)**

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: 25 May 2026

For and on behalf of the Board of Directors of Praj GenX Limited

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Sachin Raole
Director
(DIN : 00431438)

Sd/-

Hiranya Deshmukh
Company Secretary
(M. No.: A51912)

Place: Pune
Date: 25 May 2026

1 The Corporate Overview

Praj Genx Limited ('PGL' or 'the Company') is a public company incorporated on March 15, 2023 and domiciled in India and has its registered office at "Praj Tower", S. No. 274 and 275/2, Bhumkar Chowk-Hinjewadi Road, Hinjewadi, Pune – 411057, Maharashtra, India. The Company is wholly owned subsidiary of Praj Industries Limited.

The Company is engaged in the business of manufacturing and supply of Modularised systems and Equipment in Energy Transition and Climate Action sector ("ETCA") at its world-class manufacturing facility located at Mangalore, Karnataka. This facility is accredited with ASME U, U2, S and R stamps, ISO certifications, and EN1090 and EN 3834 certifications.

The Company designs modular process plants to provide customers with a preliminary evaluation of the system's feasibility and cost-effectiveness and later undertakes manufacturing of the same.

The financial statements of the Company for the year ended March 31, 2026 were authorised for issue in accordance with a resolution of the Board of Directors on May 25, 2026.

2 Material accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended and presentation requirements of Division II of Schedule III to the Companies Act 2013 (IND AS compliant Schedule III) as applicable.

The financial statements have been prepared on a historical cost basis, except for certain financial assets:

Items	Measurement basis
Defined benefit plan assets	Fair value

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All amounts are presented in millions and are rounded off to three decimal places, as per the requirements of Schedule III to the Act, unless otherwise stated.

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

2.2 Summary of material accounting policies

a. Current versus non-current classification

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

b. Foreign currencies

Functional and presentation currency

The Company's financial statements are presented in Indian Rupees, which is also the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Transaction and balances

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

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

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

c. Fair value measurement

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

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

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

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

- Significant accounting judgements, estimates and assumptions (Refer note 2)
- Quantitative disclosures of fair value measurement hierarchy (Refer note 32)
- Financial instruments risk management objectives and policies (Refer note 33)

d. Revenue from Contract with customer:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company collects goods and services tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

The Company has following streams of revenue:

Revenue from Engineering, Procurement and Construction contracts: These contracts are specifically negotiated for the construction of an asset which refers to any project for construction of plants and systems, involving designing, engineering, fabrication, supply, erection (or supervision thereof) etc., execution of which is spread over different accounting periods. The Company identifies distinct performance obligations in each contract. For most of the project contracts basis the assessment, the entire contract is accounted for as one performance obligation.

The Company first assesses whether the revenue can be recognised over a period of time if any of the following criteria is met:
(a) The customer simultaneously consumes the benefits as the Company performs; or
(b) The customer controls the work-in-progress; or
(c) The Company’s performance does not create an asset with alternative use to the Company and the Company has right to payment for performance completed till date.

The Company recognises revenue over time for project contracts as above criteria is met.

The Company uses cost-based measure of progress (or input method) for contracts because it best depicts the transfer of control to the customer which occurs as it incurs costs on contracts. Under the cost-based measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues, including estimated profits, are recorded proportionally as costs are incurred. When the final outcome of a contract cannot be reliably estimated, contract revenue is recognised only to the extent of costs incurred that are expected to be recoverable. Determination of revenues under the percentage of completion method necessarily involves making estimates by the Company, some of which are of a technical nature, concerning, where relevant, the percentage of completion, costs to completion, the expected revenues from the project / activity and the foreseeable losses to completion.

Execution of contracts generally extends beyond accounting periods, the revision in costs and revenues estimated during the course of the contract are reflected in the accounting period in which the facts requiring the revision become known.

For contracts where the aggregate of contract cost incurred to date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as contract assets. For contracts where progress billing exceeds the aggregate of contract costs incurred to-date plus recognised profits (or minus recognised losses, as the case may be), the surplus is shown as contract liability and termed as “Dues to customers relating to contracts in progress”.

The Company estimates variable consideration including variation and claim (liquidated damages if any) and includes it in the transaction price to the extent it is highly probable that a significant reversal of cumulative revenue recognised will not occur and when the uncertainty associated with it is subsequently resolved.

Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and generally do not include significant financing component.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in profit or loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Contract modification, when approved by both the parties to the contract, are considered as modification, if it creates new or changes the existing enforceable rights and obligations. The effect of a contract modification is recognised as an adjustment to revenue on a cumulative catch-up basis.

When it becomes probable that the total contract costs will exceed the total contract revenue, the Company recognises the expected losses from onerous contract as an expense immediately. Penalties for any delay or improper execution of a contract if any are recognised as a deduction from revenue. In the balance sheet, such provisions are presented on net basis of the contract receivables.

Revenue from sale of goods: In case of traded goods and certain products wherein revenue recognition criteria of over a period of time is not met, Company recognises revenue at a point-in-time. The point-in-time is determined when the control of the goods or services is transferred which is determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Company also considers its present right to payment, the legal title to the goods, the physical possession and the customer acceptance in determining the point in time where control has been transferred.

Revenue from sale of services: Revenue in respect of design and engineering service contracts , awarded on a basis are identified as a separate performance obligation and revenue is recognised on a time proportion basis as per the terms of the contract.

Significant estimates, assumptions and judgements

- Determining the revenue to be recognised in case of performance obligation satisfied over a period of time : A significant portion of the Company's business relates to EPC contracts which is accounted using cost-based input method, recognising revenue as the performance on the contract progresses. This requires management to make judgement with respect to identifying contracts for which revenue need to be recognised over a period of time, depending upon when the customer consumes the benefit, when the control is passed to customer, whether the asset created has an alternative use and whether the Company has right to payment for performance completed till date, either contractually or legally. At each reporting date, the Company is required to estimate costs to complete the contracts. Estimating costs to complete on such contracts requires the Company to make estimates of future costs to be incurred, based on work to be performed beyond the reporting date. This estimate will impact revenues, cost of sales, work-in-progress, billings in excess of costs, estimated earnings and accrued contract expenses;

- Determining the expected losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date.

- Determining the method to be applied to arrive at the variable consideration including variations and claims(including liquidated damages) requiring an adjustment to the transaction price. Variable consideration is recognised when the recovery of such consideration is highly probable. This requires an estimate of the amount if any under a claim which involves a number of management judgements and assumptions.

e. Other Income:

- **Interest income**

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

- **Export benefits**

  Government grant in form of Export benefits are recognised as 'Other Operating revenue' on receipt basis.

f. Taxes :

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

- **Current tax**

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

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that were enacted at the reporting date in India under the Income Tax Act, 1961. Current tax assets and liabilities are offset only if certain criteria are met, and such offsetting is legally enforceable

- **Deferred tax**

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

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

g. Property, Plant and Equipment:

Recognition and measurement

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably**.** An item of property, plant and equipment (PPE) **Property, plant and equipment**

PPE that qualifies as an asset is measured at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The Company identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

The cost of an item of PPE comprises of its purchase price net of discounts, if any including import duties and other non-refundable taxes or levies and directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

PPE under construction is disclosed as capital work-in-progress.

Advances paid towards the acquisition of PPE outstanding at each reporting date are disclosed under 'Other assets'.

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

Disposal
An item of PPE is derecognised upon disposal or when no future benefits are expected from its use or disposal. Net gains and losses on disposal of an item of PPE are determined by comparing the proceeds from disposal with the carrying amount of PPE, and are recognised within other income/ expenses in the statement of profit and loss.

Depreciation
Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of PPE as prescribed in Schedule II of the Companies Act, 2013, or as assessed by the management of the Company based on technical evaluation. Freehold land is not depreciated. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

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

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

Asset	Useful life (in years)
Buildings	3 – 5
Plant and machinery	3 – 15
Computers and office equipment	3 – 6
Vehicles	8
Furniture and fixtures	10

h. Intangible assets

Recognition and measurement
Intangible assets are recognised when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. All directly attributable costs and other administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Subsequent measurement
Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation
Intangible Assets with finite lives are amortised on a Straight-Line basis over the estimated useful economic life. Amortisation is calculated on the cost of the asset, or other amount substituted for cost, less its residual value. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss. The estimated useful life of intangible assets is mentioned below:

Asset	**Useful life**
Software	5 years

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

k. **Leases**

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

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

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

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

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

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

l. **Inventories**

Inventories are valued after providing for obsolescence, as under:

Raw materials, components, stores and spares, work-in-progress and finished goods are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost of raw materials, components, stores and spares comprises cost of purchases.

Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated based on normal operating capacity. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory based on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Provision is made for obsolete and slow-moving items based on management's assessment of their usability, technological relevance, and recoverability, considering project-specific requirements.

m. **Impairment of non-financial assets**

The Company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an assets or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered.

Impairment losses are recognised in the statement of profit and loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

n. **Employee benefits**

- **Short-term employee benefits**

Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised in the period in which the employee renders the related service.

- **Post-employment benefits**

Defined contribution plans
Contributions to the provident fund, pension scheme, employee state insurance scheme and superannuation fund, which are defined contribution schemes, are recognised as an employee benefit expense in the statement of profit and loss in the period in which the contribution is due.

Defined benefit plans
The employees' gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the reporting date, having maturity periods approximating to the terms of related obligations.

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

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

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

Other long-term employee benefits
The liabilities for earned leave are not expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service. They are therefore measured at present value of estimated future cash flows expected to be made by the Company and is recognised in a similar manner as in the case of defined benefit plans above.

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

Termination benefits
Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer

of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are stated at their present fair value.

o. **Provisions and contingencies**

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

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

Contingent liability is disclosed in case of:
- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- present obligation arising from past events, when no reliable estimate is possible
- a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent asset is not recognised in the financial statements. A contingent asset is disclosed, where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

Provision for onerous contracts: Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision for onerous contract/foreseeable losses.

p. Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the financial year.

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

q. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement:
All financial assets are initially measured at fair value. However, trade receivables that do not contain a significant financing component are measured at transaction price. In case of financial assets not

recorded at fair value through profit or loss (FVTPL), transaction cost is attributed to the acquisition value of the financial asset. Transaction cost of financial assets carried at FVTPL is expensed in the statement of profit and loss.

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

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

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

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company (Refer note 37 for further details). Such financial assets are subsequently measured at amortised cost using the effective interest method. The effect of the amortisation under effective interest method is recognised as interest income over the relevant period of the financial asset under other income in the Statement of Profit and Loss. The amortised cost of a financial asset is also adjusted for loss allowance, if any.

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

iii. Financial assets measured at fair value through profit or loss (FVTPL)
A financial asset is measured at FVTPL unless it is measured at amortised cost or at FVTOCI as explained above.

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

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

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

Impairment of financial assets
The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 37 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables alone, the Company applies the simplified approach permitted by 'Ind AS 109 - Financial instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Non-derivative financial liabilities

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

Subsequent measurement
All financial liabilities of the Company are subsequently measured at amortised cost using the effective interest method (Refer note 32 for further details). The cumulative amortisation using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortised cost at each reporting date. The corresponding effect of the amortisation under effective interest method is recognised as interest expense under finance cost in the Statement of Profit and Loss.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial assets and financial liabilities
Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Financial guarantee contracts
Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with 'Ind AS 37 - Provisions, contingent liabilities and contingent assets and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

r. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

s. Exceptional items

An item of income or expense which by its size, nature or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed as such in the financial statements.

2.3 Material accounting judgments, estimates and assumptions

The preparation of the financial statements in conformity with Ind AS requires the management to make certain judgments, estimates and assumptions. These judgments, estimates and assumptions affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities and disclosure of the contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities effected in future periods.

Detailed information about each of these estimates and judgements is included in relevant notes.

The areas involving critical estimates and judgements are:

- Determining the revenue to be recognised in case of performance obligation satisfied over a period of time. Refer note 26

- Determining the expected losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date.

- **Estimation of defined benefit obligation – Note 30**
  The cost of the defined benefit gratuity, and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. Information about the various estimates and assumptions made in determining the present value of defined benefit obligations are disclosed in note 30.

- **Recognition of deferred tax assets – Note 23**
  The Company uses judgement based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances in determining the provision for income tax. The Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

- **Impairment of trade receivables – Note 33**
  The Company uses a simplified approach for recognising expected credit loss. The amount of provision depends on certain parameters set by the Company in its provisioning policy. The setting up of parameters requires significant judgement and estimation. The same is reviewed by the management at a regular frequency.

- **Estimate of useful life of assets – Note 3**
  The Company determines, based on independent technical assessment, the estimated useful lives of

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

- **Fair Value Measurement - Note 32**
  When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of assumption is required in establishing fair values. Assumptions include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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

2.4 New and amended standards

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

(i) Amendments to Ind AS 21 - Lack of exchangeability
The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2025, which amend Ind AS 21, The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments do not have a material impact on the Company's financial statements.

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

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

(iv) International Tax Reform—Pillar Two Model Rules – Amendments to Ind AS 12
These amendments did not have any impact on the amounts recognised in current or prior periods and are not expected to significantly affect the future periods.

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

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

3 Property, plant and equipment, intangible assets, and capital work-in-progress

Particulars	Property, plant and equipment												Intangible Assets		Grand total
	Factory Building	Leashold Building	Leasehold improvement	Plant and machinery		Computers and office equipment		Vehicles		Furniture and fixtures	Total		Software	Total	
	Right-of-Use	Right-of-Use	Owned	Owned	Right-of-Use	Owned	Right-of-Use	Owned	Right-of-Use	Owned	Right-of-Use	Owned			
Gross block															
As at 1 April 2025	1247.996	12.612	85.046	468.293	489.765	51.427	15.633	1.515	3.156	8.482	1769.162	614.764	7.969	7.969	2391.894
Additions during the year	**10.286**	**3.503**	**34.763**	**105.959**	**58.537**	**7.811**	**-**	**2.455**	**5.361**	**17.057**	**77.688**	**168.044**	**-**	**-**	**245.733**
Deletions during the year	-	-	-	-	-	-	-	-	**8.517**	-	**8.517**	**-**	-	-	**8.517**
As at 31 March 2026	**1258.282**	**16.115**	**119.809**	**574.252**	**548.302**	**59.238**	**15.633**	**3.970**	**0.000**	**25.539**	**1838.333**	**782.808**	**7.969**	**7.969**	**2629.109**
Accumulated depreciation and amortisation															
As at 1 April 2025	369.762	0.622	9.485	39.515	66.334	5.184	1.502	0.230	0.487	0.408	438.707	54.822	2.071	2.071	495.600
Charge for the year	**252.256**	**2.810**	**22.689**	**54.354**	**107.539**	**10.201**	**5.000**	**0.496**	**1.199**	**1.348**	**368.805**	**89.088**	**1.589**	**1.589**	**459.482**
Depreciation on deletions	-		-	-	-	-	-	-	**1.687**	-	**1.687**	**0.000**	**0.000**	**0.000**	**1.687**
As at 31 March 2026	**622.018**	**3.432**	**32.174**	**93.869**	**173.872**	**15.385**	**6.503**	**0.727**	**0.000**	**1.755**	**805.825**	**143.910**	**3.661**	**3.661**	**953.395**
Net carrying value															
As at 31 March 2026	**636.264**	**12.683**	**87.635**	**480.383**	**374.430**	**43.853**	**9.131**	**3.243**	**0.000**	**23.784**	**1032.508**	**638.898**	**4.308**	**4.308**	**1675.714**
As at 1 April 2025	878.234	11.990	75.561	428.778	423.431	46.243	14.131	1.285	2.669	8.074	1330.455	559.942	5.897	5.897	1896.294

Note:

i. Refer Note 25 for contractual commitments for the acquisition of property plant and equipment.

Praj GenX Limited

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

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

3 Property, plant and equipment, intangible assets, and capital work-in-progress

Particulars	Property, plant and equipment												Intangible Assets		Grand total
	Factory Building	Leashold Building	Leasehold improvement	Plant and machinery		Computers and office equipment		Vehicles		Furniture and fixtures	Total		Software	Total	
	Right-of-Use	Right-of-Use	Owned	Owned	Right-of-Use	Owned	Right-of-Use	Owned	Right-of-Use	Owned	Owned	Right-of-Use			
Gross block															
As at 31 March 2024	1194.137	-	-	185.504	263.148	5.597	1.577	1.203	1.034	0.868	1459.896	193.171	7.466	7.466	1660.533
Additions during the year	53.859	12.612	85.046	282.789	226.616	45.830	14.056	0.312	2.122	7.614	309.266	421.592	0.503	0.503	731.361
As at 31 March 2025	**1247.996**	**12.612**	**85.046**	**468.293**	**489.765**	**51.427**	**15.633**	**1.515**	**3.156**	**8.482**	**1769.162**	**614.764**	**7.969**	**7.969**	**2391.894**
Accumulated depreciation and amortisation															
As at 31 March 2024	119.414	-	-	3.341	1.002	0.260	0.006	0.061	0.034	0.006	120.456	3.668	0.512	0.512	124.636
Charge for the year	250.348	0.622	9.485	36.173	65.331	4.924	1.496	0.170	0.453	0.401	318.251	51.153	1.559	1.559	370.964
As at 31 March 2025	**369.762**	**0.622**	**9.485**	**39.515**	**66.334**	**5.184**	**1.502**	**0.230**	**0.487**	**0.408**	**438.707**	**54.822**	**2.071**	**2.071**	**495.600**
Net carrying value															
As at 31 March 2025	878.234	11.990	75.561	428.778	423.431	46.243	14.131	1.285	2.669	8.074	1330.455	559.942	5.897	5.897	1896.294
As at 31 March 2024	1074.723	-	-	182.162	262.146	5.337	1.571	1.142	1.000	0.861	1339.440	189.503	6.954	6.954	1535.897

Note:

i. Refer Note 25 for contractual commitments for the acquisition of property plant and equipment.

Details of capital work-in-progress

Particulars	31 March 2026	31 March 2025
Balance at start of the period	39.143	20.295
Add: Additions during the period	79.006	150.134
Less: Capitalised/expense out during the period	87.674	131.287
Balance at the end of the period	**30.475**	**39.143**

Capital work-in-progress are assets not ready for use. Capital work-in-progress (CWIP) mainly comprises of:

a. Leasehold improvements **INR 13.795** (31 March 2025: INR 22.057)

b. Machinery **INR 16.680** (31 March 2025: INR 12.665)

c. Computers and office equipment **NIL** (31 March 2025: INR 4.336)

d. Furniture and fixtures INR **NIL**(31 March 2025: INR 0.084)

Refer Note 34C for ageing schedule of capital work-in-progress.

Praj GenX Limited

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

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

	Particulars		31 March 2026	31 March 2025
4	**Other financial assets**			
	Non-current			
	(Unsecured, considered good)			
	Financial assets at amortised cost			
	Security deposits		310.146	247.012
	Deposits with banks with an original maturity of more than 12 months		-	8.389
			310.146	**255.401**
	Current			
	(Considered good)			
	Financial assets at amortised cost			
	Interest accrued on fixed deposits		-	0.103
			-	**0.103**
	Total other financial assets		**310.146**	**255.504**
5	**Other assets**			
	Non-current			
	(Unsecured, considered good)			
	Capital advances		8.620	48.739
	Prepaid expenses		14.858	23.590
			23.478	**72.329**
	Current			
	(Considered good, unless otherwise stated)			
	Contract Assets			
	Contracts in progress (Refer Note 26)		102.113	88.159
	Retention money (**INR 18.383** from holding company (31 March 25: Nil))		18.383	-
	Advances to suppliers		12.114	8.531
	Balances with Indirect tax authorities		9.665	5.957
	Prepaid expenses		30.115	27.118
	Other advances (mainly includes employee travel advance)		4.831	8.978
			177.221	**138.743**
	Total other assets		**200.699**	**211.072**
6	**Inventories**			
	Raw materials		131.360	73.209
	Total inventories		**131.360**	**73.209**
	Note: (i) Inventories are valued at lower of cost or net realisable value, unless otherwise stated. (ii) Write-down of inventories to net realizable value amounted to **INR 1.167** (31 March 2025: NIL).			
7	**Trade Receivables**			
	Current			
	-From related parties			
	Unsecured, considered good		20.678	-
	-From others			
	Unsecured, considered good		143.440	33.017
	Unsecured, considered doubtful		28.990	5.275
			193.108	**38.292**
	Less: expected credit allowances		28.990	5.275
	Total trade receivables		**164.118**	**33.017**
	i. Refer Note 34A for aging schedule ii. No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member. Trade receivables are non-interest bearing and generally on credit terms of 3 to 6 months.			
	Movement in Provision for Bad and doubtful debts			
	At the beginning of the year		5.275	-
	Less: Bad debts/write off		-	-
	Add: Provision made during the year		23.715	5.275
	At the end of the year		**28.990**	**5.275**
8a	**Cash and cash equivalents**			
	Balances with banks			
	- In current accounts		22.101	21.186
	Deposits with original maturity of less than 3 months		-	30.269
	Cash on hand		0.000	0.007
	Total cash and cash equivalents		**22.101**	**51.462**
8b	**Other bank balances**			
	Deposits with original maturity for more than 3 months but less than 12 months		-	13.391
	Total other bank balances		**-**	**13.391**

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

	Particulars	31 March 2026	31 March 2025
9	**Equity Share Capital**		
	Authorised shares		
	5,000,000 equity shares of INR 2 each	10.000	10.000
	Issued, subscribed and fully paid-up shares		
	250,000 equity shares of INR 2 each	0.500	0.500
	Total equity share capital	**0.500**	**0.500**

		31 March 2026		31 March 2025	
a.	**Reconciliation of the shares outstanding at the beginning and at the end of the**				
	Equity shares of INR 2 each fully paid	**No.**	**Amount**	**No.**	**Amount**
	At the beginning of the year and end of the year	2,50,000	0.500	2,50,000	0.500

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

The Company has only one class of equity shares having a par value of INR 2 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.

The Board of Directors have not proposed any final dividend for the financial period ended 31 March 2026 (31 March 2025: NIL).

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.

		31 March 2026		31 March 2025	
c.	**Shares held by holding company:**				
	Equity shares of INR 2 each fully paid	**No.**	**% of holding**	**No.**	**% of holding**
	Praj Industries Limited (including nominee shareholders)	2,50,000	100.00%	2,50,000	100.00%
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)	2,50,000	100.00%	2,50,000	100.00%
e.	**Details of shareholders holding of 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)	2,50,000	100.00%	2,50,000	100.00%

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**		
	Surplus in the Statement of Profit and Loss		
	Balance as at the beginning of the year	(783.938)	(32.740)
	Profit as per statement of profit and loss	(1049.423)	(750.684)
	Other comprehensive income	1.686	(0.514)
	Balance as at the end of the year	**(1831.675)**	**(783.938)**
	Total other equity	**(1831.675)**	**(783.938)**

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 GenX Limited

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

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

	Particulars		31 March 2026	31 March 2025
11	**Borrowings**			
	Non-current - Unsecured			
	Inter Corporate Loan (refer note (i) below)		3206.210	1678.421
	Total borrowings		**3206.210**	**1678.421**
	Note: i. The Company has taken Inter Corporate Loan from its holding company and the same carry interest @ 5- year Government Bond Yield + 3.5%. Tenure of the loan is 5 years.			
12	**Provisions**			
	Non-current			
	Provision for employee benefits			
	Compensated absences (refer note 30c)		-	3.972
	Gratuity (refer note 30b)		-	-
			-	**3.972**
	Current			
	Provision for employee benefits			
	Compensated absences (refer note 30c)		5.193	0.574
	Gratuity (refer note 30b)		7.288	1.886
	Others			
	Provision for warranty		7.684	1.517
			20.165	**3.977**
	Warranty provision movement:			
	Provision at the beginning of the year		1.517	-
	Provision made during the year		6.167	1.517
	Provision utilised/reversed during the year		-	-
	Provision at the end of the year		**7.684**	**1.517**
	Total provisions		**20.165**	**7.949**
13	**Trade payables**			
	Current			
	- to related parties (other than micro enterprises and small enterprises)		11.736	1.818
	- to others			
	Total outstanding dues of micro enterprises and small enterprises (Refer note (iii) below)		51.955	38.816
	Total outstanding dues of creditors other than micro enterprises and small enterprises		133.944	61.974
	Total trade payables		**197.635**	**102.608**
	Notes: i. Refer Note 34B for aging schedule ii. Trade payables are non-interest bearing and are normally settled on 30-90 days terms iii. The identification of suppliers as micro, and small enterprise as defined under the MSMED Act 2006, was done on the basis of information to the extent provided by the suppliers of company. The Company has amounts due to suppliers under The MSMED Act as at March 31, 2026. The disclosure pursuant to the said Act is as under:			
	Total outstanding amount in respect of micro and small enterprises (including capital payable)		59.607	52.095
	Principal amount due and remaining unpaid		2.807	0.014
	Interest due on above and unpaid interest		0.012	0.002
	Interest paid		-	-
	Payment made beyond appointment day		163.721	28.537
	Interest due and payable for the period of delay		1.598	0.339
	Interest accrued and remaining unpaid (excluding interest accrued for earlier years)		1.610	0.339
	Amount of further interest remaining due and payable in succeeding years		1.951	0.341
14	**Other financial liabilities**			
	Non-current			
	Financial guarantee contracts with holding company		3.360	8.650
			3.360	**8.650**
	Current			
	Financial guarantee contracts with holding company		6.337	10.233
	Employee benefits payable		23.028	24.335
	Dues to holding company (includes reimbursement payable) (refer note 28)		0.269	-
	Payable for capital goods			
	- to micro enterprises and small enterprises		7.652	13.279
	- to others (includes payable to holding company **INR 10.088** (31 March 25: Nil)		24.884	20.055
	Other payables (includes other deduction)		1.837	1.235
			64.007	**69.137**
	Total other financial liabilities		**67.367**	**77.787**
15	**Other liabilities**			
	Advances received from customers (refer note 26)		28.214	183.518
	Statutory dues payable		17.604	14.124
	Total other liabilities		**45.818**	**197.642**

Praj GenX Limited

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

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

	Particulars		31 March 2026	31 March 2025
16	**Revenue from operations**			
	a. Sale of products (Refer Note 26)		616.684	151.705
	b. Sale of services		272.635	126.051
	c. Other Operating Revenue			
	Scrap Sales		0.057	-
	Total revenue from operations (a+b+c)		**889.376**	**277.756**
17	**Other income**			
	Foreign Exchange fluctuation gain (net)		4.687	7.786
	Interest			
	- on fixed deposits		(0.071)	3.315
	- Interest on account of unwinding of security deposits		21.477	15.383
	Lease unwinding		0.268	-
	Excess provision / creditors written back (including advances)		0.043	0.002
	Total other income		**26.404**	**26.486**
18	**Cost of materials consumed**			
	Raw material consumed		313.683	76.486
	Total cost of materials consumed		**313.683**	**76.486**
19	**Employee Benefit Expenses**			
	Salaries, wages and bonus		233.541	198.431
	Contributions to provident and other funds (Refer note 30a)		11.310	8.103
	Gratuity expense (Refer note 30b)		4.769	1.985
	Staff welfare		16.479	10.091
	Total employee benefit expenses		**266.099**	**218.610**
20	**Finance costs**			
	Interest on Lease Liability (refer note 29)		131.865	140.915
	Interest expense on Inter Corporate Loan		247.114	121.421
	Interest other		1.951	-
	Other borrowing cost		25.025	13.864
	Total finance costs		**405.955**	**276.200**
21	**Depreciation**			
	Depreciation on:			
	Property, plant and equipment		89.088	51.153
			89.088	**51.153**
	Amortisation of:			
	Intangible assets		1.589	1.559
	Right-of-use assets		368.805	318.251
			370.394	**319.810**
			459.482	**370.964**

Praj GenX Limited

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

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

	Particulars		31 March 2026	31 March 2025
22	**Other Expenses**			
	Consumption of Stores and spares		50.297	3.538
	Site expenses and labour charges		297.786	20.143
	Freight and transport		57.212	5.942
	Provision for doubtful debts and advances		23.908	5.275
	Travel and conveyance		31.494	23.579
	Professional consultancy charges		17.854	21.389
	Software License fees		9.916	5.556
	Security and Housekeeing		51.030	52.744
	Insurance		10.169	9.829
	Rent (Refer note 29)		9.995	3.461
	Power and fuel		20.070	10.509
	Advertising and exhibition expenses		0.220	2.361
	Communication expenses		1.978	1.518
	Testing charges		33.180	3.384
	Health, Saftey and Environment related expenses		11.509	5.762
	Books and periodicals		0.121	4.212
	Recruitment expenses		2.205	3.893
	Man power charges		20.270	39.461
	Factory general expenses		5.871	8.159
	Repairs and maintenance:			
	Building		11.189	13.589
	Plant and Machinery		23.412	8.245
	Others		2.461	5.153
	Auditors' remuneration (Refer note (ii) below)		0.380	0.250
	Rates and taxes		3.749	3.520
	Reimbursement of Marketing Support Expenses		21.914	1.805
	Provision for Warranty		6.167	1.517
	Miscellaneous expenses (Refer note (i) below)		5.654	4.113
	Total other expenses		**730.011**	**268.907**
	Notes:			
	i. Mainly includes ASME cerification expenses, printing and stationery, legal fees and bank charges			
	ii. Payment to auditors (exclusive of Goods and Services tax):			
	Statutory Audit Fees		0.225	0.200
	Limited Review Fees		0.080	-
	Tax audit fees		0.050	0.050
	Out of pocket expenses		0.025	0.000
			0.380	**0.250**
	Above remuneration includes **INR 0.033** (31 March 2025: INR 0.250) pertaining to previous auditors			

Praj GenX Limited

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

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

	Particulars	31 March 2026	31 March 2025
23	**Income tax**		
A	**Statement of profit and loss:**		
	Deferred tax:		
	Relating to origination and reversal of temporary differences	(212.737)	(161.335)
	Income tax expense reported in the statement of profit and loss	**(212.737)**	**(161.335)**
B	**Statement of other comprehensive income:**		
	Deferred tax:		
	Remeasurements gains and losses on post employment benefits	0.349	(0.065)
	Income tax expense reported in the statement of other comprehensive income	**0.349**	**(0.065)**
C	**Reconciliation of effective tax rate**		
	Accounting profit before tax	**(1262.161)**	**(906.925)**
	Tax using the Company's domestic tax rate 17.16% (31 March 2025: 17.16%)	**(216.587)**	**(155.628)**
	Adjustments in respect of current income tax of previous years	-	(5.094)
	Add: Tax effect of		
i	Interest on MSME vendor	0.335	-
ii	Others	3.515	(0.613)
	Total	**(212.737)**	**(161.335)**
	Income tax expense reported in the statement of profit and loss	**(212.737)**	**(161.335)**
	Effective tax rate	**16.855%**	**17.789%**

		Balance sheet		Statement of profit and loss/ other comprehensive income & other equity	
D	**Deferred tax**				
	Deferred tax relates to the following:	**31 March 2026**	**31 March 2025**	**31 March 2026**	**31 March 2025**
	Deferred tax asset				
	Provision for doubtful debts and advances	5.008	0.905	4.103	0.905
	Carry forward business loss	334.402	129.553	204.849	123.346
	Disallowance under 43B	3.211	1.319	1.892	1.178
	Other disallowances under Income Tax	7.735	4.188	3.547	4.188
	Lease Liability	208.049	250.571	(42.522)	250.571
	Deposits	11.907	13.670	(1.763)	13.670
	Total	**570.311**	**400.206**	**170.106**	**393.858**
	Deferred tax liability				
	Property, plant & equipment and intangible assets and Right of use	187.510	231.118	(43.608)	231.118
	Other disallowances under Income Tax	2.665	1.339	1.326	1.339
	Total	**190.175**	**232.458**	**(42.282)**	**232.458**
	Net deferred tax asset / (liability)	**380.136**	**167.748**	**-**	**-**
	Deferred tax expense/(income)	**-**	**-**	**(212.388)**	**(161.400)**
	- Recognised in the statement of profit and loss			(212.737)	(161.335)
	- Recognised in the statement of other comprehensive income			0.349	(0.065)

- The Company being a newly incorporated domestic companies engaged in manufacturing, the effective tax rate applicable to the Company is 17.16% as per section 115BAB of Income Tax Act, 1961.

	Particulars	31 March 2026	31 March 2025
E	**Movement of tax balances:**		
	Particulars	**31 March 2026**	**31 March 2025**
	Tax asset/ (liability) at the beginning of the year	0.331	0.027
	Add: Provision for tax	-	
	Add: TDS deducted during the year	3.679	0.331
	Add: Advance tax paid during the year		
	Less: Refund received	(0.331)	(0.027)
	Tax asset/ (liability) at the end of the year	**3.679**	**0.331**

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

24 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 equity shares	2,50,000	2,50,000
Weighted average number of diluted equity shares	2,50,000	2,50,000
Computation of basic and diluted earnings per share		
Net profit after tax attributable to equity shareholders	(1049.423)	(750.684)
Basic earnings per equity share of INR 2 each (in Rs.)	(4,197.69)	(3,002.74)
Diluted earnings per equity share of INR 2 each (in Rs.)	(4,197.69)	(3,002.74)

25 Capital commitments and contingent liabilities

Particulars	31 March 2026	31 March 2025
a. Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	20.359	52.261
b. Contingent liabilities	NIL	NIL

26 Disclosures pursuant to Ind AS 115-Revenue from Contracts with Customers

I) Revenue by category of contracts:

Particulars	31 March 2026	31 March 2025
Over a period of time basis	884.308	151.705
At a point-in-time basis	5.068	126.051
Total revenue from contracts with customers	**889.376**	**277.756**

II) Revenue by geographical market:

Particulars	31 March 2026	31 March 2025
Within India*	267.681	0.000
Outside India	621.694	277.756
Total revenue from contracts with customers	**889.376**	**277.756**

*Sales to SEZ (deemed exports) are disclosed under revenue within India in accordance with Ind AS 108, Operating Segments

III) Transaction price allocated to the remaining performance obligations

Particulars	31 March 2026	31 March 2025
Remaining performance obligations	1406.347	293.646

Note: The above information is given in respect of contracts under execution as on period end date. As the regular project lifecyle lasts 12-18 months, the Company expects that a significant portion of the remaining performance obligation will be completed within the next financial year.

IV) Contract balances

Particulars	31 March 2026	31 March 2025
Trade receivables	164.118	33.017
Retention Money (Contract Asset)	18.383	0.000
Unbilled Revenue (Contract Asset)	102.113	88.159
Customer Advances (Contract Liability)	28.214	183.518

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

Particulars	31 March 2026	31 March 2025
Opening Unbilled Revenue (Contract Asset) (Refer Note 5)	88.159	0.000
Opening Unearned Revenue (Contract Liability)	0.000	0.000
- Transfer of Contract Asset to Receivables	875.422	189.596
- Increase in Revenue as a result of POCM change	(861.129)	(101.437)
- Others	(0.339)	0.000
Closing Unbilled Revenue (Contract Asset) (Refer Note 5)	102.113	88.159

Contract assets primarily relate to unbilled revenue i.e. the Company's rights to consideration for work completed but not billed at the reporting date and retention money. 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.

The payment is due from the date of invoice and payment terms are in the range of 30 days to 120 days. The company expects that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be less than one year. Therefore, Company does not adjust the promised amount of consideration for the effects of financing component.

VI) There are no significant variations between revenue recognised in statement of profit and loss and contract price.

27 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. Hi-Tech Manufacturing. Refer note 26 (II) for geography wise revenue distribution. Revenue contributed by four customers individually account for more than 10% of the Company's total revenue.

Praj GenX Limited

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

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

28 Related party transactions

a) Entity controlling the Company (Holding Company)	Praj Industries Limited
b) Fellow subsidiaries (with whom transactions have taken place)	Praj Americas Inc.
c) Other fellow subsidiaries	Praj Far East Co. Limited Praj Engineering & Infra Limited Praj HiPurity Systems Limited Praj Far East (Philippines) Inc. Praj Projects (Tanzania) Limited
d) Other entities in which Holding Company exercises control	Praj Foundation
e) Key management personnel	
Non-Executive Chairman	Dr. Pramod Chaudhari
CBO and Whole time Director	Abhijit Dani
Director	Ashish Gaikwad (from 24th April 2025) Shishir Joshipura (up to 30th June 2026) Sachin Raole Sivaramakrishnan S. Iyer
Company Secretary	Hiranya Deshmukh
f) Directors of Holding Company	Dr. Pramod Chaudhari Ashish Gaikwad (from 3rd February 2025) Shishir Joshipura (up to 30th June 2025) Sachin Raole Parimal Chaudhari (up to 11th August 2025) Parth Chaudhari (from 11th August 2025) Dr. Shridhar Shukla Rujuta Jagtap Vianayak Deshpande Utkarsh Palnitkar Ajay Narayan Deshpande Berjis Desai (from 1st July 2025)

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

Particulars	31 March 2026	31 March 2025
Praj Industries Limited ("PIL")		
Inter Corporate Loan taken	1598.200	1209.500
Inter Corporate Loan repaid	255.000	440.500
Interest on Inter Corporate Loan	247.114	121.421
Office Rent Expense	4.416	1.783
Software license fees	1.968	0.180
Financial Gurantee charges	28.335	16.388
Capital asset purchase	10.088	-
Corporate Guarantee taken	338.799	2914.466
Security deposit given	0.696	-
Service revenue (includes contract in progress of **Rs. 63.116 Mn**)	267.624	-
Balance outstanding with PIL		
Inter Corporate Deposit Payable	2910.700	1567.500
Interest on Inter Corporate Deposit Payable	295.510	110.921
Corporate Guarantee taken outstanding	2873.185	2944.564
Outstanding payable	18.765	-
Receivable including retention	39.061	-
Security deposit receivable	1.104	0.408
Praj Americas Inc. ("PAI")		
Reimbursement of Marketing Support Expenses	21.914	1.805
Balance outstanding with PAI		
Outstanding payable	3.328	1.818
Abhijit Dani		
Short term employee benefits	12.906	14.523
Post employment benefits	0.544	1.064
Other long term employee benefit	0.094	0.197
Sivaramakrishnan S. Iyer		
Professional Fees	0.400	0.400

Note: Transactions with related parties are at arms length price and the balances receivable / payable are un-secured. The terms of payment are generally similar to those of other non-related parties.

Praj GenX Limited

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

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

29 Leases

The company classifies the lease transactions as per the requirements of IND-AS 116 "Leases"

Nature of Leasing activity:

The Company has entered into lease arrangements for office and factory premises, residential premises for its employees, plant & machinery, and vehicles.

The disclosures relating to leases are as summarised below:

Particulars	**31 March 2026**	**31 March 2025**
Depreciation for right-of-use asset	368.805	318.251
Interese expense on lease liabilities	131.865	140.915
Expenses relating to short-term / low value leases	9.995	3.461
Total Cash outhflow for leases including short-term/ low value leases	449.040	214.452
Carrying amount of right-of-use asset	1032.508	1330.455
Maturity analysis of lease liabilities:		
- less than 1 year	393.175	289.532
- between 1 to 3 years	815.828	837.303
- more than 3 years	3.404	333.367

Changes in lease liabilities arising from financing activities

Particulars	**31 March 2026**	**31 March 2025**
Opening lease liability	**1460.202**	**1261.919**
Net addition / (deletion)during the year	59.386	268.360
Finance cost	131.865	140.915
Lease payments	(439.044)	(210.991)
Closing lease liability	**1212.408**	**1460.202**
Non-Current	819.233	1170.670
Current	393.175	289.532

30 Employee benefits

a) Defined contribution plans

The Company has recognised **INR 11.310** (31 March 2025: Rs. 8.103) towards post-employment defined contribution plans comprising of Provident Fund, Employee State Insurance Scheme, National Pension Scheme 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 ICICI Prudential Life Insurance 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 year	**3.442**	**0.822**
Interest cost	0.231	0.059
Past service cost	2.711	-
Current service cost	4.645	1.979
Benefits paid	-	-
Remeasurements on obligation - (gain) / loss	(2.104)	0.582
Present value of obligation as at the end of the year	**8.925**	**3.442**

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 year	**1.557**	**0.000**
Interest income	0.106	0.054
Contributions	0.043	1.500
Return on plan assets, excluding amount recognized in interest income - gain / (loss)	(0.069)	0.003
Fair value of plan assets as at the end of the year	**1.637**	**1.557**
Actual return on plan assets	0.037	0.057

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 year	8.925	3.442
Fair value of plan assets as at the end of the year	1.637	1.557
Surplus / (deficit)	**(7.288)**	**(1.886)**

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

Particulars	**31 March 2026**	**31 March 2025**
Current service cost	4.645	1.979
Net interest (income) / expense	0.125	0.005
Net periodic benefit cost recognised in the statement of profit and loss at the end of the year	**4.769**	**1.985**

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

30 Employee benefits (continued)

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

Particulars	31 March 2026	31 March 2025
Remeasurement for the period - obligation (gain) / loss	(2.104)	0.582
Remeasurement for the year - plan assets (gain) / loss	0.069	(0.003)
Total remeasurements cost / (credit) for the period	**(2.035)**	**0.579**

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

Particulars	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%
Mortality Rate	IALM(2012-14) ult	IALM(2012-14) ult
Expected rate of return on plan assets	6.70%	7.20%
Expected average remaining working lives of employees (in years)	5.42	8.44
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%

A quantitative sensitivity analysis for significant assumptions 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**
Decrease by 1% to 6.10% (5.70%)	9.376	3.722
Increase by 1% to 8.10% (7.70%)	8.514	3.198

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**
Decrease by 1% to 8.00% (8.00%)	8.596	3.230
Increase by 1% to 10.00% (10.00%)	9.278	3.679

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**
Decrease by 1% to 16.00% (9.00%)	8.962	3.480
Increase by 1% to 18.00% (11.00%)	8.891	3.409

Expected contributions for the next year
The Company expects to fund **INR 7.300** (31 March 2025: 1.886) 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 9.59 years (31 March 2025: 13.74 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	0.029	0.009
Between 1-3 years	0.093	0.050
Between 4–5 years	4.661	0.759

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

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

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

a. 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. Hence companies are encouraged to adopt asset-liability management.

b. Discount Rate Risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

c. 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 ICICI Prudential Life Insurance. ICICI Prudential Life Insurance has been providing consistent and competitive returns over the years.

The company has opted for a traditional fund wherein all asset are invested primarily in risk averse markets. The company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

c) Other long-term employee benefits

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 **Nil** million (31 March 2025: INR 3.972 million). The expense recognised in the statement of profit and loss for the year amounts to INR **1.715** million (31 March 2025: INR 3.409 million).

Provision for Compensated absences:

Particulars	31 March 2026	31 March 2025
Present value of obligation as at the beginning of the period	**4.546**	**1.494**
Interest cost	0.269	0.095
Current service cost	3.805	1.602
Benefits paid	(1.068)	(0.356)
Remeasurements on obligation - (gain) / loss	(2.359)	1.712
Present value of obligation as at the end of the period	**5.193**	**4.546**

31 Disclosure with regard to changes in liabilities arising from financing activities as required by Ind AS 7 "Statement of Cash Flows"

Particulars	Borrowings	Lease Liability	Total
Balance as at 31 March 2024	**828.234**	**1261.919**	**2090.153**
Proceeds from borrowings	1209.500	-	1209.500
Repayment of borrowings	(440.500)	-	(440.500)
Net lease addition / (deletion) during the year	-	268.360	268.360
Lease payments	-	(210.991)	(210.991)
Finance cost charged	121.421	140.915	262.336
Finance cost paid	(40.235)	-	(40.235)
Balance as at 31 March 2025	**1678.421**	**1460.202**	**3138.623**
Proceeds from borrowings	1598.200	-	1598.200
Repayment of borrowings	(255.000)	-	(255.000)
Net lease addition / (deletion) during the year	-	59.386	59.386
Lease payments	-	(439.044)	(439.044)
Finance cost charged	247.114	131.865	378.979
Finance cost paid	(62.525)	-	(62.525)
Balance as at 31 March 2026	**3206.210**	**1212.408**	**4418.618**

Praj GenX Limited

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

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

32 Fair value measurements

Particulars	Carrying value		Fair value	
	31 March 2026	31 March 2025	31 March 2026	31 March 2025
Level 2				
Financial asset				
Carried at amortised cost				
Security deposits	310.146	247.012	310.146	247.012
Trade receivable	164.118	33.017	164.118	33.017
Deposits with banks	-	21.780	-	21.780
Other receivables	-	0.103	-	0.103
Cash and cash equivalents	22.101	51.462	22.101	51.462
Financial liabilities				
Carried at amortised cost				
Borrowings	3206.210	1678.421	3206.210	1678.421
Trade payables	197.635	102.608	197.635	102.608
Lease Liability	1212.408	1460.202	1212.408	1460.202
Other payables	57.669	58.904	57.669	58.904
Financial guarantee contracts*	9.697	18.883	9.697	18.883

*Financial guarantee contracts are subsequently measured at the amount of impairment loss allowance or the amount recognised at inception net of cumulative amortisation, whichever is higher.

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. Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets.

(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 other comprehensive income or Fair value through profit and loss

33 Financial risk management policy and objectives

Company's principal financial liabilities, comprise loans and borrowings, trade and other payables, and lease laibilities. The main purpose of these financial liabilities is to finance company's operations. Company's principal financial assets include trade and other receivables, security deposits and cash and cash equivalents, that derive directly from its operations.

In order to minimise any adverse effects on the financial performance of the company, it has taken various measures. This note explains the source of risk which the entity is exposed to and how the entity manages the risk and impact of the same in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis, external credit rating (wherever available)	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk- Foreign Currency Risk	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Sensitivity Analysis	Management follows established risk management policies, including use of derivatives like foreign exchange forward contracts, where the economic conditions match the company's policy.

The Company's management handles the risk management based on policies approved by the Board of Directors. Company's treasury identifies, evaluates and hedges financial risks in close co-operation with the company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk, and investment of excess liquidity.

(A) Credit risk

Credit risk in case of the Company arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

Credit risk management

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

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

33 Financial risk management policy and objectives (continued)

The company considers the probability of default upon intial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward looking information such as:
(i) Actual or expected significant adverse changes in business,
(ii) Actual or expected significant changes in the operating results of the counterparty,
(iii) Financial or economic conditions that are expected to cause a significant change to counterparty's ability to meet its obligations,
(iv) Significant increases in credit risk on other financial instruments of the same counterparty,
(v) Significant changes in the value of collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

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

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

Provision for expected credit loss

Exposure to risk	**31 March 2026**	**31 March 2025**
Trade receivables	193.108	38.292
Contract in progress	102.113	88.159
Retention money	18.383	-
Less : expected loss	28.990	5.275
Total	**284.614**	**121.177**

Gross Trade receivables	**31 March 2026**	**31 March 2025**
Neither past due nor impaired	193.116	88.159
Less than 180 days	91.498	-
181 - 365 days	-	31.063
More than 365 days	28.990	7.229
Total	**313.604**	**126.452**

Reconciliation of loss provision	**31 March 2026**	**31 March 2025**
Opening loss allowance	5.275	-
Bad debts written off	-	-
Additional allowance	23.715	5.275
Closing loss allowance	**28.990**	**5.275**

B) Liquidity risk

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

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

Exposure to risk	**31 March 2026**	**31 March 2025**
Interest bearing borrowings		
On demand	-	-
Less than 365 days	-	-
More than 365 days	3206.210	1678.421
Total	**3206.210**	**1678.421**
Other financial liabilities		
On demand	-	-
Less than 365 days	64.007	69.137
More than 365 days	3.360	8.650
Total	**67.367**	**77.787**

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

33 Financial risk management policy and objectives (continued)

Exposure to risk	31 March 2026	31 March 2025
Trade payables		
Less than 365 days	197.559	102.608
More than 365 days	-	-
Total	**197.559**	**102.608**
Lease liability		
Less than 365 days	393.175	289.532
More than 365 days	819.233	1170.670
Total	**1212.408**	**1460.202**

The company has access to following undrawn facilities at the end of the reporting period

	31 March 2026	31 March 2025
Expiring within one year	200.000	200.000

The facilities are secured by way of first pari-passu charge on the current assets of the Company. Additionally, working capital limits and derivative limits are secured by corporate guarantee of Praj Industries Limited.

(C) Foreign currency risk
The company is exposed to foreign exchange risk mainly through its sales to overseas customers and purchases from overseas suppliers in various foreign currencies.
The company evaluates exchange rate exposure arising from foreign currency transactions and the company follows established risk management policies, including use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk, where the economic conditions match the company's policy.

Foreign currency exposure :

Financial assets	Currency	Amount in foreign currency		Amount in INR	
		31 March 2026	31 March 2025	31 March 2026	31 March 2025
Trade receivables	EUR	0.000	0.107	0.000	9.801
	USD	1.844	0.335	172.430	28.492
Bank accounts	EUR	0.000	0.000	0.000	0.000
	USD	0.046	0.000	4.294	0.000

Financial liabilities	Currency	Amount in foreign currency		Amount in INR	
		31 March 2026	31 March 2025	31 March 2026	31 March 2025
Trade payables and capital payable	EUR	0.015	0.015	1.667	1.419
	USD	0.234	0.250	22.239	21.523

Foreign currency wise net exposure (assets less liabilities)

Particulars	Amount in foreign currency		Amount in INR	
	31 March 2026	31 March 2025	31 March 2026	31 March 2025
EUR	(0.015)	0.092	(1.667)	8.382
USD	1.656	0.085	154.484	6.969

Sensitivity analysis

Currency	31 March 2026			
	Amount in INR	Sensitivity %	Impact on profit [Loss / (Gain)]	
			Strengthen	Weakening
EUR	(1.667)	5.00%	0.083	(0.083)
USD	154.484	5.00%	(7.724)	7.724
Total	**152.817**		**(7.641)**	**7.641**

Currency	31 March 2025			
	Amount in INR	Sensitivity %	Impact on profit [Loss / (Gain)]	
			Strengthen	Weakening
EUR	8.382	5.00%	(0.419)	0.419
USD	6.969	5.00%	(0.348)	0.348
Total	**15.351**		**(0.768)**	**0.768**

(EUR - Euro, USD - US Dollar)

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

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

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

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

Particulars	Unbilled dues/Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 Year	1-2 Years	2-3 Years	More than 3 years	
31 March 2026							
(i) Undisputed Trade receivables – considered good	72.620	91.498	-	-	-	-	164.118
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	28.990	-	-	28.990
Gross trade receivable	**72.620**	**91.498**	**-**	**28.990**	**-**	**-**	**193.108**
Less: Impairment Allowance							(28.990)
Total							**164.118**
31 March 2025							
(i) Undisputed Trade receivables – considered good	-		31.063	7.229	-	-	38.292
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**-**	**-**	**31.063**	**7.229**	**-**	**-**	**38.292**
Less: Impairment Allowance							(5.275)
Total							**33.017**

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

Particulars	Unbilled dues/Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
31 March 2026						
(i) Undisputed dues - MSME	48.177	3.778	-	-	-	51.955
(ii) Undisputed dues - Other*	136.237	9.367	0.076	-	-	145.680
Total	**184.414**	**13.145**	**0.076**	**-**	**-**	**197.635**
31 March 2025						
(i) Undisputed dues - MSME	32.550	6.266	-	-	-	38.816
(ii) Undisputed dues - Other*	50.433	13.359	-	-	-	63.792
Total	**82.983**	**19.625**	**-**	**-**	**-**	**102.608**

*Includes unbilled dues **Rs. 93.205** (31 March 2025: Rs. 29.258)

(C) The table below provides details regarding Capital Work-in-progress (CWIP) ageing schedule

Particulars	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
31 March 2026					
Capital Work-in-progress	21.795	8.680	-	-	30.475
Total	**21.795**	**8.680**	**-**	**-**	**30.475**
31 March 2025					
Capital Work-in-progress	39.143	-	-	-	39.143
Total	**39.143**	**-**	**-**	**-**	**39.143**

As on the date of balance sheet, there is no capital work-in-progress project(s) whose completion is overdue or has exceeded the cost, based on the approved plan.There are no projects on hold as of 31 March, 2026.

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

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

35 Analytical Ratios

Sr. No.	Ratio	Formula	Numerator	Denominator	31 March 2026	31 March 2025	% Variance	Reason for Variance
1	Current ratio	Current assets / Current liabilities	Current assets	Current liabilities	0.69	0.47	47.8%	There is a significant increase in operations from last year therefore, the corresponding comparatives ratios are not comparable to that extent.
2	Debt-equity ratio	Total Debt/Total equity	Total debt	Total equity	NA	NA	-	
3	Debt service coverage ratio	Profit before exceptional items, tax and finance cost / (Interest & Lease Payments + Principal Repayments)	Profit after tax excluding exceptional items+Finance Cost+Depreciation and amortisation	Interest & Lease Payments + Principal Repayments	(0.24)	(0.15)	60.1%	
4	Return on equity ratio	Profit after tax* 100 / Average Shareholder's Equity	Profit after tax	Average Shareholder's Equity = (Opening Shareholder's Fund + Closing Shareholder's Fund)/2	-80%	-184%	-56.4%	
5	Inventory turnover ratio	Cost of Goods Sold / Average Inventory	Cost of Materials consumed + Changes in Inventory +	Average Inventory = (Opening Inventory + Closing Inventory)/2	3.56	1.89	88.1%	
6	Trade receivables turnover ratio	Sales (billed to customer) / Average	Sales (billed to customer)	Average Accounts Receivable = (Opening Accounts Receivable + Closing Accounts Receivable)/2	8.88	3.06	190.4%	
7	Trade payables turnover ratio	Cost of goods sold / Average Trade Payables	Net credit purchases	Average Trade Payables = (Opening Trade Payables + Closing Trade Payables)/2	2.48	1.55	60.3%	
8	Net capital turnover ratio	Revenue from operations / Average Working capital	Revenue from operations	Average Working capital = (Opening Working Capital + Closing Working Capital)/2	(3.09)	(0.57)	444.6%	
9	Net profit ratio	Profit After Tax* 100 / Sales	Profit After Tax	Revenue from Operations	-118.00%	-270.27%	-56.3%	
10	Return on capital employed	Earning Before Interest & Tax (EBIT)* 100 / Capital Employed	Earning Before Interest & Tax	Capital Employed = Total Equity + Debt + Defferred Tax Liability/(Assets)	-86.06%	-86.73%	-0.8%	
11	Return on investment i. Fixed Deposits	Income from Investments* 100/ time weighted Investment	Income from Investments	Investment	-	4.28%	-100.0%	Fixed deposits were redemeed in the beginning of the year

Praj GenX Limited

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

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

36 Other Notes

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

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

ii Details of Benami Property

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

iii Borrowings secured against current assets

The Company 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 pending charges that need to be registered with the ROC.

vii Utilisation of Borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) nor has it received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company 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 (Ultimate Beneficiaries), or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

viii Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

ix 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.

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

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

xi Utilisation of borrowings availed from banks and financial institutions

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

xii 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.

xiii 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.

xiv The Company has take borrowings in the form of Inter Coporate Deposits. It has used these borrowings for the specific purpose for which it was taken.

37 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, &
- 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 gearing ratios were as follows:

	31 March 2026	31 March 2025
Loans and borrowings	3206.210	1678.421
Less: Cash and cash equivalents	22.101	51.462
Net debt (A)	**3184.109**	**1626.959**
Equity	(1831.175)	(783.438)
Capital and net debt (B)	**1352.933**	**843.521**
Gearing ratio (A/B)	**235%**	**193%**

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

38 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.

39 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 books of account 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

40 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 Rs. 2.711 million. Considering the one-time material increase in provision the impact is recognised as 'Exceptional Item' for the year ended 31 March 2026.

41 Regoupings

Prior year figures have been regrouped and reclassified wherever necessary to ensure comparability with the current period's presentation. The reclassification pertains to following:

a) Foreign exchange gains are reported under other income, which were earlier presented on the face of Profit and Loss Statement;

b) Right-of-use assets are disclosed separately instead of being included within property, plant and equipment; and

c) Interest on defined benefit plans are reported under employee benefits expense, which were earlier included in finance costs.

42 Going concern

The Company has incurred a net loss after tax of **Rs. 1049.423 Million** during the year ended March 31, 2026 (March 31, 2025: Rs. 750.684 Million) and has accumulated losses amounting to **Rs. 1831.675 Million** as at March 31, 2026 (March 31, 2025: Rs. 783.938 Million) which has fully eroded the net worth of the Company as on that date. Also, the Company's current liabilities have exceeded its current assets by **Rs. 222.321 Million** as on that date (March 31, 2025: Rs. 352.640 Million).

These, conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, Praj Industries Limited, the Holding Company has provided a letter of support confirming their willingness to provide financial and operational support to the Company for a period of at least the next twelve months to enable the Company to pay its obligations as and when they fall due. Further, the management of the Company have reviewed the projected cash flows of the Company for the next 12 months and based on the same, it believes that the Company has sufficient resources to continue its operations as a going concern for the foreseeable future.

In view of the above, the management of the Company considers that the going concern assumption in the preparation of the financial statements of the Company for the year ended March 31, 2026, is appropriate. Accordingly, the financial statements of the Company for the year ended March 31, 2026, have been prepared on going concern basis.

43 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.

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: 25 May 2026

For and on behalf of the Board of Directors of Praj GenX Limited

Sd/-
Dr. Pramod Chaudhari
Chairman
(DIN : 00196415)

Sd/-
Abhijit Dani
CBO and Whole time Director
(DIN : 06767700)

Sd/-
Ashish Gaikwad
Director
(DIN : 07585079)

Sd/-
Sachin Raole
Director
(DIN : 00431438)

Sd/-
Hiranya Deshmukh
Company Secretary
(M. No.: A51912)

Place: Pune
Date: 25 May 2026