

Independent Auditor's Report

To the Members of Pace Digitek Limited (Formerly known as Pace Digitek Private Limited and Pace Digitek Infra Private Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Pace Digitek Limited (Formerly known as Pace Digitek Private Limited and Pace Digitek Infra Private Limited)** (hereinafter referred to as the "Company" or "Holding Company") and its subsidiaries including step down subsidiary, (the Holding Company and its subsidiaries including step down subsidiary together referred to as the "Group"), which comprise the consolidated balance sheet as at March 31, 2026, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of the material accounting policies and other explanatory information. (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries including step-down subsidiary and financial statements/financial information certified by the Management of one of the subsidiary referred to in the Other Matters section below, the aforesaid consolidated 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 ("Ind AS") specified under section 133 of the Act and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2026, and its consolidated profit (including consolidated other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") read together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in 'Other Matters' paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



Key audit matter	How our audit addressed the key audit matter
Estimation of contract cost and revenue recognition : The Holding Company revenue is primarily from Engineering Procurement and Construction (EPC) contracts. Due to the nature of the contracts, revenue is recognized based on percentage of completion method which is determined based on proportion of contract costs incurred to date compared to estimated total contract costs. We considered the estimation of EPC contracts revenue and related cost as a key audit matter given the following: • There is an inherent risk and a presumed risk of fraud in revenue recognition, considering also the complex nature of the customer contracts; and • Complexities involved and significant Management judgement in making forecasts of future cost to complete the contract taking into account future activities to be performed in the contract, additional costs to be incurred, which has a consequential impact on the amount of revenue recognised, variable consideration recognised as revenue and the significance of these amounts to the consolidated financial statements.	Our audit procedures included the following: Our procedures in respect of recognition of Engineering Procurement and Construction (EPC) contract revenue and related cost included the following: 1) Understood and evaluated the design and tested the operating effectiveness of key internal financial controls, including those related to estimation of EPC contract costs, contract revenue and review and approval thereof. 2) Assessed the appropriateness of the revenue recognition accounting policies in accordance with Ind AS 115 "Revenue from Contracts with Customers". 3) For selected sample of contracts, performed the following procedures: (a) Obtained and examined project related documents such as contracts, customer communications and price or scope variation orders. (b) Obtained the percentage of completion calculations, agreed key contractual terms with customer contracts/ communication, tested the mathematical accuracy of the cost to complete calculations and re-performed the calculation of revenue recognised during the year based on the percentage of completion. (c) Verified relevant supporting documents and performed cut off procedures for EPC contract related costs incurred through the reporting period. Evaluated Management's assessment of recognising revenue for claims, price or scope variations by reviewing the contractual terms and client communications. Physically visited the EPC contracts sites. (d) Evaluated the reasonableness of key assumptions included in the estimated total EPC contract related costs. (e) Tested trade receivables, contract assets and contract liability balances based on the status of specific contracts, considering the billing done, revenue recognised and advances received from customer, if any, through the reporting date. (f) Performed analytical procedures and conducted inquiries about any unusual trends of revenue recognition and cost. 4) Assessed the adequacy of presentation and related disclosures in the consolidated financial statements.



Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report but does not include the consolidated financial statements and our auditor's report thereon. The above information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Management and Board of Director for the consolidated financial statements

The Holding 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 and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including consolidated other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act.

The respective Management's and Board of Director's of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the Group'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 Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Management and Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of the respective Company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 the SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Group has adequate internal financial controls with reference to consolidated 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 in the consolidated financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matters

- (a) The consolidated financial statements also includes financial statements of three subsidiaries including one step down subsidiary which are not audited by us, whose financial statements include



total assets (before consolidation adjustments) of Rs 31.70 million as at March 31, 2026, total revenues (before consolidation adjustment) of Rs. 17.01 million and net cash outflows (before consolidation adjustments) of Rs. 4.63 million for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries including one step-down subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to these subsidiaries including one step-down subsidiary is based solely on the reports of the other auditors.

- (b) The consolidated financial statements include the unaudited financial statements of one subsidiary whose financial statements include total assets (before consolidation adjustments) of Rs 3.50 million as at March 31, 2026, total revenues (before consolidation adjustment) of Rs. Nil and net cash outflows (before consolidation adjustments) of Rs. Nil for the year ended on that date. This unaudited financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to this subsidiary is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, this subsidiary is not considered material to the Group.

Further, the subsidiaries mentioned in point (a) above include one step down subsidiary and subsidiary mentioned in para (b) above are located outside India. The annual financial statements of these two subsidiaries including one step down subsidiary have been prepared in accordance with accounting principles generally accepted in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries including one step down subsidiary from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management.

Our opinion in so far as it relates to the balances and affairs of such subsidiaries including one step-down subsidiary, located outside India, is based on the reports of other auditors and information provided by the Company's management and the conversion adjustments prepared by the management of the Group and audited by us. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and financial statements/financial information certified by the Management.

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 section 143(11) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiaries incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure A" a statement on the matters specified in paragraphs 3(xxi) of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'Other Matter' paragraph, to the extent applicable, 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 consolidated financial statements;



- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of other auditor except for the matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
- (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on April 22, 2026, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries incorporated in India, none of the directors of the Group, is disqualified as on March 31, 2026, from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
- (g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries, incorporated in India and the operating effectiveness of such controls, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of such subsidiaries, incorporated in India and to the extent applicable, as noted in the 'Other Matter' paragraph, refer to our separate Report in "Annexure B" to this report.
- (h) In our opinion, the managerial remuneration for the year ended March 31, 2026 has been paid provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V of the Act; and
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
- The consolidated financial statements disclose the impact of pending litigations on consolidated financial position of the Group, refer note 53(b) to the consolidated financial statements;
 - The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Group.
 - a) The respective Managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in the note 50(f) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such



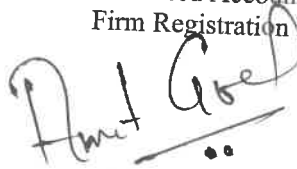
subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries, associates and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in the note 50(g) to consolidated financial statements, no funds have been received by the Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries 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 such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clause (i) and (ii) of Rule 11(e), as provided under iv (a) and iv (b) above contain any material misstatement.

- v. The Group has neither declared nor paid any dividend during the current financial year.
- vi. Based on our examination, which included test checks, of the Holding Company and considering reports of independent auditor and the procedures performed by the respective auditor of the subsidiary company incorporated in India has maintained its books of account using accounting software that did not have the functionality to record an audit trail (edit log) for all relevant transactions throughout the year. Accordingly, we are unable to comment on the adequacy of the audit trail feature in the said software along with the preservation in accordance with the statutory requirements.

For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm Registration No: 000756N/N500441



AMIT GOEL
Partner
Membership No: 500607



Place: Bangalore
Dated: May 25, 2026
UDIN: 26500607PJCQGN7740

Annexure A to the Independent Auditor's Report dated May 25, 2026 on the consolidated financial statements of Pace Digitek Limited (Formerly known as Pace Digitek Private Limited and Pace Digitek Infra Private Limited) for the year ended March 31, 2026.

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and based on the information and explanations provided to us, following companies incorporated in India and included in the consolidated financial statements has received adverse remarks, qualifications, or unfavorable comments in the reports issued by their respective auditors pursuant to the Companies (Auditor's Report) Order, 2020 (CARO).

S.no.	Name of entity	CIN	Holding company/ subsidiary/ associate	Clause number of the CARO report which is unfavorable or qualified or adverse
1	Pace Digitek Limited (Formerly known as Pace Digitek Private Limited and Pace Digitek Infra Private Limited)	L31909KA2007PLC041949	Holding Company	Clause (ii) (b), (xx)(a)
2	Lineage Power Private Limited	U45207KA2010PTC054269	Subsidiary	Clause (ii) (b), (xx)(a)
3	Pace Renewable Energies Private Limited	U29307KA2010PTC053077	Subsidiary	Clause (xx) (a)
4	TransGreenx Energy Private Limited	U35105KA2025PTC211174	Subsidiary	Clause (xvii)
5	Lineage Defence And Aerospace Private Limited	U25121KA2025PTC213001	Subsidiary	Clause (xvii)
6	Pace Ecoplanet Solace Private Limited	U27201KA2026PTC213616	Subsidiary	Clause (xvii)
7	Inso Pace Private Limited	U35105KA2018PTC117476	Subsidiary	Clause (xvii)

For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm Registration No: 000756N/N500441

[Signature]

AMIT GOEL
Partner
Membership No: 500607



Place: Bangalore
Dated: May 25, 2026
UDIN: 26500607PJCQGN7740

Annexure B to the Independent Auditor's Report dated May 25, 2026 on the consolidated financial statements of Pace Digitek Limited (Formerly known as Pace Digitek Private Limited and Pace Digitek Infra Private Limited) for the year ended March 31, 2026.

Report on the Internal Financial Controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act") as referred to in paragraph 2(g) of 'Report on Other Legal and Regulatory Requirements' section of our report even date.

Our reporting on the internal financial control with reference to consolidated financial statements is not applicable in respect of 2 subsidiaries including one step down subsidiary incorporated outside India.

In conjunction with our audit of the consolidated financial statements of **Pace Digitek Limited (Formerly known as Pace Digitek Private Limited and Pace Digitek Infra Private Limited)** (hereinafter referred to as the "Company" or "Holding Company") as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group"), which are companies incorporated in India for the year ended on that date.

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

The respective Company's Management and Board of Directors of Holding Company and its subsidiaries incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal controls 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"). 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 respective 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 internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls issued by ICAI. 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 consolidated financial statements were 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of such internal financial controls with reference to consolidated 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls with reference to these consolidated financial statements.



Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated 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 consolidated 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to the Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiaries, which are incorporated in India, have in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2026, based on the internal financial controls with reference to financial statements criteria established by Group considering the essential components of such internal controls stated in the Guidance Note.

Other Matters

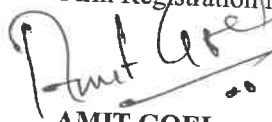
Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to one subsidiary, which is incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries.

Our audit report on the adequacy and operating effectiveness of the internal financial controls over financial reporting is not modified in respect of above matters.

For S S Kothari Mehta & Co. LLP

Chartered Accountants

Firm Registration No: 000756N/N500441



AMIT GOEL

Partner

Membership No: 500607



Place: Bangalore

Dated: May 25, 2026

UDIN: 26500607PJCQGN7740

Pace Digitek Limited
(Formerly known as Pace Digitek Private Limited and Pace Digitek Infra Private Limited)
CIN: L31909KA2007PLC041949
Consolidated balance sheet as at March 31, 2026
(Amounts are ₹ in million unless otherwise stated)

Particulars	Note no	As at March 31, 2026	As at March 31, 2025
A. Assets			
(1) Non-current assets			
(a) Property, plant and equipment	3	1,565.87	1,147.32
(b) Capital work-in-progress	4	382.85	320.85
(c) Investment property	5	17.01	17.87
(d) Right-of-use assets	6	201.98	8.33
(e) Goodwill	7	3.64	3.64
(f) Other intangible assets	8	304.44	287.50
(g) Financial assets			
(i) Trade receivables	13.2	3,756.24	2,946.05
(ii) Finance lease receivables	14	5,315.04	-
(iii) Other financial assets	9	1,367.84	1,370.81
(h) Deferred tax assets (net)	10	138.51	226.92
(i) Non current tax assets (net)	11	34.39	48.25
(j) Other non current assets	18	396.50	280.42
Total non-current assets		13,484.31	6,657.96
(2) Current assets			
(a) Inventories	12	5,403.10	1,126.29
(b) Financial assets			
(i) Trade receivables	13.1	20,665.45	12,709.81
(ii) Cash and cash equivalents	15	2,699.72	783.54
(iii) Bank balances other than (ii) above	16	4,991.27	1,380.49
(iv) Finance lease receivables		253.42	-
(v) Other financial assets	17	1,968.74	2,432.85
(c) Other current assets	18	3,676.10	1,398.62
Total current assets		39,657.80	19,831.68
Total assets		53,142.11	26,489.56
B. Equity and liabilities			
(1) Equity			
(a) Equity share capital	19	431.70	356.88
(b) Other equity	20	21,641.28	11,342.07
Equity attributable to owners of the holding Company		22,072.98	11,698.95
(c) Non-controlling interest		449.28	391.07
Total equity		22,522.26	12,090.02
(2) Liabilities			
I. Non current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	6,067.16	241.75
(ii) Lease liabilities	22	198.20	4.52
(iii) Other financial liabilities	23	5.03	1.80
(b) Provisions	24	538.31	649.83
(c) Other non-current liabilities	29.3	316.41	-
Total non-current liabilities		7,125.11	897.90
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	25.1	3,540.12	1,365.24
(ii) Lease liabilities	26	4.35	3.92
(iii) Trade payables	27.1		
(A) total outstanding dues of micro enterprise and small enterprises; and		141.37	138.98
(B) total outstanding dues of creditors other than micro enterprise and small enterprises		17,777.89	10,011.27
(iv) Other financial liabilities	28.1	952.78	606.32
(b) Other current liabilities	29.2	210.00	205.78
(c) Provisions	24	390.18	290.90
(d) Current tax liabilities (net)	30	478.05	879.23
Total current liabilities		23,494.74	13,501.64
Total liabilities		30,619.85	14,399.54
Total equity and liabilities		53,142.11	26,489.56

Material accounting policies

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Accompanying notes form an integral part of the consolidated financial statements

As per our report of even date
For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm's Registration No. 000756N/N500441

For and on behalf of the Board
Pace Digitek Limited
(Formerly known as Pace Digitek Private Limited and Pace Digitek Infra Private Limited)

Partner
Membership No. 500607

Place: Bangalore
Date: May 25, 2026

Venugopalan Maddisetty
Managing Director
DIN-02070491
Place: Bangalore
Date: May 25, 2026

Maddisetty Padma
Whole-Time Director
DIN-02070662
Place: Bangalore
Date: May 25, 2026

Panduraj Rajavendhan
Chief Financial Officer
Membership No. 221057
Place: Bangalore
Date: May 25, 2026

Meghaan Kurushotham Manchala
Company Secretary
Membership No. A42534
Place: Bangalore
Date: May 25, 2026



Pace Digitek Limited
(Formerly known as Pace Digitek Private Limited and Pace Digitek Infra Private Limited)
CIN: L31909KA2007PLC041949
Consolidated statement of profit and loss for the year ended March 31, 2026
(Amounts are ₹ in million unless otherwise stated)

Particulars	Note no	For the year ended March 31, 2026	For the year ended March 31, 2025
I. Income:			
(a) Revenue from operations	31	26,412.70	24,387.80
(b) Other income	32	461.08	234.22
Total income (I)		26,873.78	24,622.02
II. Expenses:			
(a) Cost of materials consumed	33	8,384.23	7,180.57
(b) Engineering, procurement and construction project expenses	33.2	8,807.61	9,156.38
(c) Purchases of stock-in-trade	34	2,783.69	47.15
(d) Changes in inventories	35	(328.21)	850.97
(e) Employee benefits expense	36	959.00	667.13
(f) Finance costs	37	598.23	1,151.50
(g) Depreciation and amortisation expense	38	120.04	60.49
(h) Other expenses	39	1,253.90	1,668.54
Total expenses (II)		22,578.49	20,782.73
III. Profit before tax (I-II)=III		4,295.29	3,839.29
IV. Tax expense:			
(a) Current tax expense	42	1,125.18	1,146.33
(b) Deferred tax (credit)/charge		90.32	(171.54)
(c) Taxes relating to earlier years		7.15	73.48
Total tax expense (IV)		1,222.65	1,048.27
V. Profit after tax (III-IV)= V		3,072.64	2,791.02
VI. Other comprehensive income/(loss)			
A. Items that will not be reclassified to profit or loss			
(i) Remeasurement of defined benefit plans gain/(loss)		(4.71)	0.19
(ii) Income tax relating to these items		1.18	(0.05)
B. Items that will be reclassified to profit or loss			
(i) Exchange differences on translation of foreign operations		0.80	0.53
Total other comprehensive income/(loss) for the year (net of tax) (A+B)		(2.73)	0.67
VII Total comprehensive income for the year (V+VI)		3,069.91	2,791.69
VIII. Profit for the year attributable to :			
Owners of the Company		2,975.68	2,676.08
Non-controlling interest		96.96	114.94
Profit after tax		3,072.64	2,791.02
IX. Other comprehensive income/(loss) attributable to :			
Owners of the Company		(1.60)	0.74
Non-controlling interest		(1.13)	(0.07)
Other comprehensive income/(loss) for the year		(2.73)	0.67
X. Total comprehensive income/(loss) attributable to :			
Owners of the Company		2,974.08	2,676.81
Non-controlling interest		95.83	114.88
Total comprehensive income/(loss) for the year		3,069.91	2,791.69
XI. Earnings per equity share attributable to owners of the Company	40		
Basic (Rupee)		15.11	16.30
Diluted (Rupee)		15.11	16.30
Material accounting policies	2		

Accompanying notes form an integral part of the consolidated financial statements

As per our report of even date

For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm's Registration No. 000756N/N500441

ASHUTOSH GOEL
Partner

Membership No. 500607
Place: Bangalore
Date: May 25, 2026



For and on behalf of the Board

Pace Digitek Limited
(Formerly known as Pace Digitek Private Limited and Pace Digitek Infra Private Limited)

Venugopal Rao Maddisetty
Managing Director
DIN-02070491
Place: Bangalore
Date: May 25, 2026

Rajendran Rajendran
Chief Financial Officer
Membership No. 221057
Place: Bangalore
Date: May 25, 2026



Maddisetty Padma
Whole-Time-Director
DIN-02070662
Place: Bangalore
Date: May 25, 2026

Meghana Purushotham
Managing Director
Company Secretary
Membership No. A42534
Place: Bangalore
Date: May 25, 2026

Pace Digitek Limited

(Formerly known as Pace Digitek Private Limited and Pace Digitek Infra Private Limited)

CIN: L31909KA2007PLC041949

Consolidated statement of cash flows for the year ended March 31, 2026

(Amounts are ₹ in million unless otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Cash flows from operating activities		
Profit before tax	4,295.29	3,839.29
Adjustment for:		
Depreciation and amortization expense	120.04	60.49
Finance costs	597.40	1,150.48
Interest on lease liabilities	0.83	1.03
Net foreign exchange rate fluctuation losses	227.59	-
Gain on sale of property, plant and equipment	(0.39)	(2.79)
Interest income on lease receivables	(36.83)	-
Interest income on security deposits	(1.10)	(2.18)
Balance written back	(47.25)	(10.52)
Balances written off	0.73	187.38
Bad debts written off	38.82	
Loss allowance for trade receivable	102.22	(24.11)
Other interest income	(5.37)	(4.67)
Disposal of intangible assets under development	-	11.56
Interest received on fixed deposits	(253.61)	(180.39)
Provision for liquidity damages	16.80	216.57
Recognised/(reversal) provision for warranty	(105.08)	380.70
Rental income	(7.79)	(6.93)
Operating profit before working capital changes	4,942.30	5,615.89
Adjusted for:		
Movements in working capital:		
(Increase)/decrease in trade receivables	(8,902.22)	(7,830.03)
(Increase)/decrease in other financial assets	343.34	(296.04)
(Increase)/decrease in other assets	(1,839.12)	117.99
(Increase)/decrease in inventory	(4,276.81)	1,590.60
Increase/(decrease) in provision	34.47	0.48
Finance lease receivable	(5,531.64)	-
Increase/(decrease) in trade payables	7,589.50	133.57
Increase/(decrease) in other financial liabilities	535.74	(247.25)
Increase/(decrease) in other liabilities	320.63	64.28
Cash generated from/(used) in operations	(6,783.82)	(850.50)
Income taxes paid (net of refunds)	(1,636.84)	(908.37)
Net cash generated from/(used) in operating activities (A)	(8,420.67)	(1,758.87)
B. Cash flows from investing activities		
Acquisition of property, plant and equipment, intangibles (including capital work-in-progress and capital advances) (net)	(900.79)	(361.22)
Rent received	7.79	6.93
Loan received back	-	5.02
Proceeds from or (Investment) in fixed deposits	(3,412.02)	2,606.98
Interest received on fixed deposit	179.68	180.39
Net cash generated from/ (used) in investing activities (B)	(4,125.33)	2,438.10
C. Cash flows from financing activities		
Proceeds of long term borrowings	6,104.88	218.10
Repayment of long term borrowings	(102.16)	(482.06)
(Repayment)/proceeds of short term borrowings (net)	1,971.16	(3,060.92)
Payment of principal portion of lease liabilities	(3.89)	(3.15)
Payment of interest portion of lease liabilities	(0.83)	(1.03)
Payment for purchase of shares from non-controlling interest of subsidiary	(40.32)	-
Proceeds from issue of equity shares (net of issue expenses)	7,215.63	3,626.36
Finance cost paid	(682.30)	(1,150.48)
Net cash generated from/ (used) in financing activities (C)	14,462.16	(853.18)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	1,916.18	(173.95)
Cash and cash equivalents at the beginning of the year	783.54	957.49
Cash and cash equivalents at the end of year	2,699.72	783.54



Pace Digitek Limited

(Formerly known as Pace Digitek Private Limited and Pace Digitek Infra Private Limited)

CIN: L31909KA2007PLC041949

Consolidated statement of cash flows for the year ended March 31, 2026

(Amounts are ₹ in million unless otherwise stated)

Components of cash and cash equivalents considered only for the purpose of cash flow statement

(a) Balances with banks		
In current accounts	2,698.63	782.19
(b) Cash on hand	1.09	1.35
Total cash and cash equivalents	2,699.72	783.54

Notes:

- (a) The consolidated statement of cash flows has been prepared under the "Indirect method" as set out in Indian Accounting Standard (Ind AS) 7 - "Statement of cash flows".
- (b) Reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities is given in the note 25.

Material accounting policies

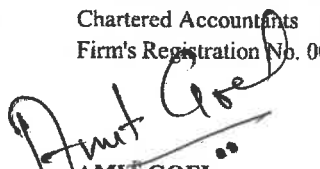
Accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For S S Kothari Mehta & Co. LLP

Chartered Accountants

Firm's Registration No. 000756N/N500441


AMIT GOEL
Partner
Membership No. 500607
Place: Bangalore
Date: May 25, 2026



For and on behalf of the Board

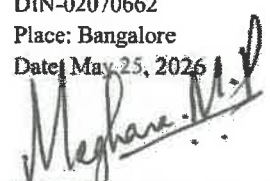
Pace Digitek Limited

(Formerly known as Pace Digitek Private Limited and Pace Digitek Infra Private Limited)


Venugopalrao Maddisetty
Managing Director
DIN-02070491
Place: Bangalore
Date: May 25, 2026


Maddisetty Padma
Whole-Time-Director
DIN-02070662
Place: Bangalore
Date: May 25, 2026


Pandiuraj Rajavendhan
Chief Financial Officer
Membership No. 221057
Place: Bangalore
Date: May 25, 2026


Meghana Purushotham Manchaiah
Company Secretary
Membership No. A42534
Place: Bangalore
Date: May 25, 2026



Pace Digitek Limited
(Formerly known as Pace Digitek Private Limited and Pace Digitek Infra Private Limited)
CIN: L31909KA2007PLC041949
Consolidated statement of changes in equity for the year ended March 31, 2026
(Amounts are ₹ in million unless otherwise stated)

(a) Equity share capital:

Particulars	Note no	No of shares	Amount
As at April 01, 2024	19	5,000,000	50.00
Changes in equity share capital during the year		173,442,280	346.88
Closing balance as at March 31, 2025		178,442,280	356.88
Changes in equity share capital during the year		37,409,047	74.82
Closing balance as at March 31, 2026		215,851,327	431.70

(b) Other equity

Particulars	Attributable to owners						Total attributable to owners of the company	Attributable to non controlling interests	Total other equity
	Retained earnings	Capital reserve	General reserve	Securities premium	Foreign Currency Translation Reserve (FCTR)	Other comprehensive income / (loss) Remeasurement of defined benefit obligation			
Balance as at April 01, 2024	5,954.88	119.87	37.71	185.60	(4.33)	22.84	5,345.77	276.20	5,621.97
Add: Profit for the year	2,676.08	-	-	-	-	-	2,676.08	114.94	2,791.02
Less: Pre-IPO expenses debited to securities premium	-	-	-	(355.56)	-	-	(355.56)	-	(355.56)
Less: Bonus shares allotted out of securities premium	-	-	-	(297.40)	-	-	(297.40)	-	(297.40)
Add: Premium on issue of equity shares	-	-	-	3,972.44	-	-	3,972.44	-	3,972.44
Add: Other comprehensive income/ (loss) (net of tax)	-	-	-	-	0.53	0.21	0.74	(0.07)	0.67
Closing balance as at March 31, 2025	7,740.97	119.07	37.71	3,425.08	(3.80)	23.05	11,342.07	391.07	11,733.14
Add: Profit for the year	2,975.68	-	-	-	-	-	2,975.68	96.96	3,072.64
Less: Pre-IPO expenses debited to securities premium	-	-	-	(788.85)	-	-	(788.85)	-	(788.85)
Add: Premium on issue of equity shares	-	-	-	8,116.66	-	-	8,116.66	-	8,116.66
Less: Acquisition of additional interest in subsidiary	(2.70)	-	-	-	-	-	(2.70)	-	(2.70)
Add: Other comprehensive income/ (loss) (net of tax)	-	-	-	-	0.80	(2.39)	(1.59)	(1.13)	(2.72)
Less: Acquisition of non-controlling interests	-	-	-	-	-	-	-	(37.62)	(37.62)
Closing balance as at March 31, 2026	10,713.94	119.07	37.71	10,752.90	(3.00)	20.66	21,641.28	449.28	22,090.56

Material accounting policies

Accompanying notes form an integral part of the consolidated financial statements

As per our report of even date

For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm's Registration No. 090756N/N500441

AMIT GOEL
Partner
Membership No. 500607
Place: Bangalore
Date: May 25, 2026



For and on behalf of the Board
Pace Digitek Limited
(Formerly known as Pace Digitek Private Limited and Pace Digitek Infra Private Limited)

Venugopal Rao Madhuketty
Managing Director
DIN-02070491
Place: Bangalore
Date: May 25, 2026

Pandit Rajayendran
Chief Financial Officer
Membership No. 221057
Place: Bangalore
Date: May 25, 2026



Maddurthy Padma
Whole-Time Director
DIN-02070562
Place: Bangalore
Date: May 25, 2026

Meghana Parashotham Manchala
Company Secretary
Membership No. A42534
Place: Bangalore
Date: May 25, 2026

3 Property, plant and equipment ('PPE')

Particulars	Leasehold land	Freehold land	Building	Plant & machinery	Computer	Office equipment	Motor vehicles	Furniture and fixtures	Total
At cost									
Gross carrying value									
Balance as at April 01, 2024	897.03	8.07	78.71	46.68	4.96	3.00	56.98	9.23	1,104.66
Additions	-	-	-	2.68	11.25	1.78	101.08	0.92	117.71
Deletions	-	-	-	(14.18)	-	-	(3.89)	-	(18.07)
Balance as at March 31, 2025	897.03	8.07	78.71	35.18	16.21	4.78	154.17	10.15	1,204.30
Additions	39.31	-	327.38	274.85	30.30	30.01	0.33	19.06	721.24
Deletions	-	-	-	(221.70)	-	-	(1.14)	-	(222.84)
Transfer (in/out)	(936.34)	936.34	-	-	-	-	-	-	-
Balance as at March 31, 2026	-	944.41	406.09	88.33	46.51	34.79	153.36	29.21	1,702.70
Accumulated depreciation									
Balance as at April 01, 2024	-	-	4.16	12.84	1.90	0.85	11.84	2.12	33.71
Charge for the year	-	-	3.63	10.41	2.94	1.11	19.80	1.88	39.77
Disposals	-	-	-	(14.18)	-	-	(2.31)	-	(16.49)
Balance as at March 31, 2025	-	-	7.79	9.07	4.84	1.96	29.33	4.00	56.98
Charge for the year	-	-	11.13	27.12	14.37	5.26	37.65	3.56	99.09
Disposals	-	-	-	(19.24)	-	-	-	-	(19.24)
Balance as at March 31, 2026	-	-	18.92	16.95	19.21	7.22	66.98	7.56	136.83
Net book value									
Balance as at March 31, 2025	897.03	8.07	70.92	26.11	11.37	2.82	124.84	6.15	1,147.32
Balance as at March 31, 2026	-	944.41	387.16	71.38	27.30	27.57	86.38	21.65	1,565.87

Note:

- a) Refer note 21 for the assets forming part of property, plant and equipment which are offered as security/charge for the borrowings availed by the Group.
- b) The freehold land represents land at Bidadi and Jala Industrial Area IT Park, acquired by the Group during financial year 2014-15 from Karnataka Industrial Areas Development Board (KIADB), on a lease-cum-sale basis. The land was under lease for initial period of ten years thereafter the ownership of the land will be transferred in favour of the Group. Total consideration has been paid by Group at the time of inception of agreement to the KIADB for acquisition of land and thereafter, the Group having obligations under lease is yearly recurring maintenance charges during the lease period.
- Accordingly, during the current year, the said land has been converted from leasehold to freehold land upon completion of necessary documentation and formalities with KIADB and the Group has now reclassified the said land from leasehold land to freehold land under Property, Plant and Equipment.
- c) The title deeds of all the immovable properties included in property, plant and equipment, are held in the name of the Group as at the balance sheet dates.



Pace Digitek Limited

(Formerly known as Pace Digitek Private Limited and Pace Digitek Infra Private Limited)

CIN: L31909KA2007PLC041949

Notes forming part of the consolidated financial statements for the year ended March 31, 2026

(Amounts are ₹ in million unless otherwise stated)

4 Capital Work In Progress (CWIP)

Particulars	Total
Balances as at April 01, 2024	98.04
Additions	246.94
Transfer to other intangible assets	(24.13)
Balances as at March 31, 2025	320.85
Additions	631.17
Capitalised during the year*	(569.17)
Balances as at March 31, 2026	382.85
Net carrying amount	
Balance as at March 31, 2025	320.85
Balance as at March 31, 2026	382.85

*It relates to capitalisation under property, plant & equipment of Rs. 569.17 million during the year.

The Group is in the process of SECI (Solar Energy Corporation of India) and KREDL (Karnataka Renewable Energy Development Limited) project for connectivity of power generated from its proposed Solar Power Project. Expenditure incurred towards such project development activities has been capitalized under Capital Work-in-Progress pending completion of the project.

Capital work in progress ageing schedule as at March 31, 2026 and March 31, 2025 .

As at March 31, 2026

Particulars	Amount in capital work-in-progress for period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	230.58	78.36	9.46	64.45	382.85
(ii) Projects temporarily suspended	-	-	-	-	-
Total	230.58	78.36	9.46	64.45	382.85

As at March 31, 2025

Particulars	Amount in capital work-in-progress for period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	246.93	9.46	35.55	28.90	320.85
(ii) Projects temporarily suspended	-	-	-	-	-
Total	246.93	9.46	35.55	28.90	320.85

For Capital work in progress, whose completion is overdue to its original plan

As at March 31, 2026

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	-	82.54	-	-	82.54
(ii) Projects temporarily suspended	-	-	-	-	-
Total	-	82.54	-	-	82.54

As at March 31, 2025

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	28.49	82.54	-	-	111.03
(ii) Projects temporarily suspended	-	-	-	-	-
Total	28.49	82.54	-	-	111.03

The Group has one ongoing project related to an IT Park, where the completion timeline has been exceeded and the project cost has overrun the original estimates. The matter is currently under review and approval by the Board.



Pace Digitek Limited

(Formerly known as Pace Digitek Private Limited and Pace Digitek Infra Private Limited)

CIN: L31909KA2007PLC041949

Notes forming part of the consolidated financial statements for the year ended March 31, 2026

(Amounts are ₹ in million unless otherwise stated)

5 Investment property

Particulars	Building
At cost	
Gross carrying value	
Balance as at April 01, 2024	19.82
Additions	-
Disposals	-
Balance as at March 31, 2025	19.82
Additions	-
Disposals	-
Balance as at March 31, 2026	19.82
Accumulated depreciation	
Balance as at April 01, 2024	1.03
Charge for the year	0.92
Disposals	-
Balance as at March 31, 2025	1.95
Charge for the year	0.86
Disposals	-
Balance as at March 31, 2026	2.81
Net carrying amount	
Balance as at March 31, 2025	17.87
Balance as at March 31, 2026	17.01

Notes:

(a) **Disclosure pursuant to Ind AS 40 "Investment Property"**

Amount recognised in the statement of profit and loss for investment property:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Rental income derived from investment property (refer note 32)	7.79	6.93
Depreciation on investment property (refer note 38)	0.85	0.92

(b) Investment property represents building at Bidadi, Karnataka given on lease w.e.f. April 01, 2019.

(i) The Group had obtained independent valuation of Rs. 37.33 million from certified valuer for its investment property as at March 31, 2026, (Rs. 36.67 million for March 31, 2025) and these valuations are based on valuation performed by an independent valuer registered in terms of the Act.

(ii) There is no contractual obligation to purchase, construct or develop investment property or for repairs, maintenance and enhancement thereof and there are no restriction on remittance of income and proceeds of disposal.

(iii) The investment property is Building purchased through sale-cum lease agreement. The formalities of registration of sale cum lease agreement are completed.

(iv) The title deeds of investment properties are held in the name of the Group as at the balance sheet dates.



Pace Digitek Limited

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CIN: L31909KA2007PLC041949

Notes forming part of the consolidated financial statements for the year ended March 31, 2026

(Amounts are ₹ in million unless otherwise stated)

6 Right-of-use assets (ROU)

Particulars	Office Building	Plant & Machinery	Total
Gross block			
Balance as at April 01, 2024	5.25	-	5.25
Additions	7.29	-	7.29
Disposals	-	-	-
Balance as at March 31, 2025	12.54	-	12.54
Additions	-	198.00	198.00
Disposals	-	-	-
Balance as at March 31, 2026	12.54	198.00	210.54
Accumulated depreciation			
Balance as at April 01, 2024	0.44	-	0.44
Charge for the year	3.77	-	3.77
Deletions	-	-	-
Balance as at March 31, 2025	4.21	-	4.21
Charge for the year	4.18	0.16	4.34
Deletions	-	-	-
Balance as at March 31, 2026	8.39	0.16	8.56
Net block			
Balance as at March 31, 2025	8.33	-	8.33
Balance as at March 31, 2026	4.15	197.84	201.98

Notes:

(i) Refer note 41 for disclosure on leased assets.

7 Goodwill

Particulars	As at March 31, 2026	As at March 31, 2025
Goodwill on account of business aquisition	3.64	3.64
Total	3.64	3.64

Goodwill impairment

Goodwill is tested for impairment annually. The recoverable amount of the cash-generating unit is determined based on its value in use. This value is calculated using future cash flows, which require assumptions such as sales growth, gross margin, and operating income margin.

The assumptions are based on the Group's past experience, existing economic conditions and trends, estimated future growth rates, and anticipated future economic conditions. None of the key assumptions are sensitive to the recoverable amount of any of the CGUs.

An analysis of the sensitivity of the computation to changes in key assumptions (operating margin, discount rates, and long-term average growth rate) is conducted. Based on any reasonable changes, the Group identifies any probable scenarios where the recoverable amount of the CGU could decrease below its carrying amount.

The estimated value-in-use of the CGU is based on future cash flows, using an estimated long-term average growth rate and a discount rate.



Pace Digitek Limited

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CIN: L31909KA2007PLC041949

Notes forming part of the consolidated financial statements for the year ended March 31, 2026

(Amounts are ₹ in million unless otherwise stated)

8 Other intangible assets

Particulars	Software (Bought out)	Right of infrastructure development*	Total
At cost			
Gross carrying value			
Balance as at April 01, 2024	14.05	292.08	306.13
Additions	0.55	24.13	24.68
Disposals	(12.77)	-	(12.77)
Balance as at March 31, 2025	1.83	316.21	318.04
Additions	32.70	-	32.70
Disposals	-	-	-
Balance as at March 31, 2026	34.53	316.21	350.74
Accumulated amortisation			
Balance as at April 01, 2024	1.48	14.27	15.75
Charge for the year	0.60	15.41	16.01
Disposals	(1.21)	-	(1.21)
Balance as at March 31, 2025	0.87	29.68	30.55
Charge for the year	0.38	15.38	15.76
Disposals	-	-	-
Balance as at March 31, 2026	1.25	45.06	46.31
Net block			
Balance as at March 31, 2025	0.96	286.53	287.50
Balance as at March 31, 2026	33.28	271.15	304.44

Note:-

* The group has developed a "Solar Power Plant" on behalf of Krishna Bhagya Jala Nigam Limited (KBJNL) for supplying of electricity exclusively for the benefit of KBJNL and maintenance of the project over the period of 25 years from the date of installation.



Pace Digitek Limited

(Formerly known as Pace Digitek Private Limited and Pace Digitek Infra Private Limited)

CIN: L31909KA2007PLC041949

Notes forming part of the consolidated financial statements for the year ended March 31, 2026

(Amounts are ₹ in million unless otherwise stated)

9 Other financial assets - non current

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Security deposits*	0.13	0.13
Retention money receivables	538.58	416.72
Bank deposit with maturity for more than 12 months from the reporting date #	829.13	953.96
Total	1,367.84	1,370.81

*Security deposits are carried at amortised cost. These primarily includes deposits given against rented premises and for projects.

The above deposit includes Rs 829.13 million as at March 31, 2026 (Rs. 953.96 as at March 31, 2025) are held as security with bank against borrowings, guarantee given and issuance of letter of credit and other commitments.

10 Deferred tax asset/liabilities (net)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax assets (net) (Refer note 41)	138.51	226.92
Total	138.51	226.92

11 Non-current tax assets

Particulars	As at March 31, 2026	As at March 31, 2025
Income tax assets (net of provision of tax)	34.39	48.25
Total	34.39	48.25

12 Inventories (at lower of cost and net realisable value)

Particulars	As at March 31, 2026	As at March 31, 2025
Raw materials and components	5,049.29	1,100.68
Finished goods	353.82	25.61
Total	5,403.10	1,126.29

Note:

1) Inventory have been pledged as security against bank borrowings, details relating to which have been given in note 21.

2) The raw material component is net off by the provision for slow-moving inventory.

3) Inventory lying with clearing and forwarding agents (CHA) of Rs.819.95 million and (Previous year: Nil). These inventories are under the control of customs authorities and are released upon fulfillment of applicable regulations and payment of duties, where applicable.



Pace Digitek Limited
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Notes forming part of the consolidated financial statements for the year ended March 31, 2026
(Amounts are ₹ in million unless otherwise stated)

13.1 Trade receivables

(a) Particulars	As at March 31, 2026	As at March 31, 2025
(Unsecured unless otherwise stated)		
Trade receivables considered good - unsecured	20,933.56	12,847.84
Trade receivable-credit impaired	174.30	202.17
Total trade receivables	21,107.86	13,050.01
Less: Expected credit loss allowance	442.41	340.20
Net trade receivables	20,665.45	12,709.81
Of the above, trade receivables from related parties are as below*		
Trade receivables due from related parties (refer note 46)	23.02	14.79
Total	23.02	14.79

Note:

- Trade receivables are non-interest bearing and due after 0 to 90 days from the due date.
- Refer note 47 for information about credit risk and market risk of trade receivables.

(b) Current trade receivables ageing schedules

As at March 31, 2026

Particulars	Unbilled	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	
Undisputed trade receivables- considered good	7,039.97	4,790.32	3,520.70	1,874.60	2,476.20	720.90	510.87	20,933.56
Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables- considered good	-	-	-	-	-	-	-	-
Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	-	31.48	19.34	123.48	174.30
Total	7,039.97	4,790.32	3,520.70	1,874.60	2,507.68	740.24	634.35	21,107.86
Less: Expected credit loss allowance	-	-	-	-	-	-	-	(442.41)
Total	7,039.97	4,790.32	3,520.70	1,874.60	2,507.68	740.24	634.35	20,665.45

As at March 31, 2025

Particulars	Unbilled	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	
Undisputed trade receivables- considered good	1,498.33	4,487.00	3,546.63	2,077.66	1,149.02	67.32	21.88	12,847.84
Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables- considered good	-	-	-	-	-	-	-	-
Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	-	31.48	19.70	150.99	202.17
Total	1,498.33	4,487.00	3,546.63	2,077.66	1,180.50	87.02	172.87	13,050.01
Less: Expected credit loss allowance	-	-	-	-	-	-	-	(340.20)
Total	1,498.33	4,487.00	3,546.63	2,077.66	1,180.50	87.02	172.87	12,709.81



13.2 Trade receivables -Non-current

(a) Particulars	As at March 31, 2026	As at March 31, 2025
(Unsecured unless otherwise stated)		
Trade receivables considered good - unsecured	3,756.24	2,946.05
Trade receivable-credit impaired	-	-
Total trade receivables	3,756.24	2,946.05
Less: Expected credit loss allowance	-	-
Net trade receivables	3,756.24	2,946.05

Note:

- Trade receivables are non-interest bearing and due after 0 to 90 days from the due date.
- Refer note 47 for information about credit risk and market risk of trade receivables.

(b) Non-current trade receivables ageing schedules

As at March 31, 2026

Particulars	Unbilled	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	
Undisputed trade receivables-considered good	3,756.24	-	-	-	-	-	-	3,756.24
Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables- considered good	-	-	-	-	-	-	-	-
Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	-	-	-	-	-
Total	3,756.24	-	-	-	-	-	-	3,756.24
Less: Expected credit loss allowance	-	-	-	-	-	-	-	-
Total	3,756.24	-	-	-	-	-	-	3,756.24

As at March 31, 2025

Particulars	Unbilled	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	
Undisputed trade receivables-considered good	2,946.05	-	-	-	-	-	-	2,946.05
Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables- considered good	-	-	-	-	-	-	-	-
Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	-	-	-	-	-
Total	2,946.05	-	-	-	-	-	-	2,946.05
Less: Expected credit loss allowance	-	-	-	-	-	-	-	-
Total	2,946.05	-	-	-	-	-	-	2,946.05



14 Finance lease receivable - at amortised cost

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Finance lease receivable (Refer note 44)	5,315.04	-
Total	5,315.04	-
Current		
Finance lease receivable (Refer note 44)	253.42	-
Total	253.42	-

15 Cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with banks	2,698.63	782.19
On current accounts	1.09	1.35
Cash on hand		
Total	2,699.72	783.54

* Includes amount proceeds from Initial Public Offer (IPO) of Rs. 902.72 million (March 31, 2025: Nil) held with a scheduled commercial bank which will be utilised for the purpose as stated in the prospectus.

16 Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Bank deposits with remaining maturity for more than three months but less than twelve months*	4,991.27	1,380.49
Total	4,991.27	1,380.49

*The above deposit includes Rs 3,287.96 million as at March 31, 2026 (Rs.1,380.49 million as at March 31, 2025) are held as security with bank against borrowings, guarantee given and issuance of letter of credit and other commitments. further, It also Includes proceeds from Initial Public Offer (IPO) of Rs. 1,254.00 million (March 31, 2025: Nil) and will be utilised for the purpose as stated in the prospectus.

17 Other financial assets-current

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good, unless otherwise stated		
Security deposits* (Refer note 44)	66.18	74.23
Retention money receivables	1,902.52	2,358.60
Other receivables	0.04	0.02
Total	1,968.74	2,432.85

*It includes amount of security deposit pertains to related party of Rs. 21.26 million as at March 31, 2026 (Rs.21.26 million as at March 31, 2025)

18 Other assets

Particulars	As at March 31, 2026	As at March 31, 2025
Other non current asset		
Prepaid expenses	31.07	89.85
Balance with government authorities	76.59	190.57
Capital advances	288.84	-
Total	396.50	280.42
Other current asset		
Balance with government authorities	1,673.74	503.88
Advance to suppliers		
to related party (refer note 44)	121.81	121.81
to others	1,457.33	677.10
Prepaid expenses	395.22	71.64
Advance to employees*	28.00	24.19
Total	3,676.10	1,398.62

* It includes advance to related party of Rs. 3.47 million (March 31, 2025: Rs. 1.00 million)



19 Equity share capital

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
Authorised share capital				
Equity shares of Rs 2 each (Rs.2 each as at March 31, 2025)	46,00,00,000	920.00	46,00,00,000	920.00
	46,00,00,000	920.00	46,00,00,000	920.00
Issued, subscribed and fully paid up:				
Equity shares of Rs 2 each (Rs.2 each as at March 31, 2025)	21,58,51,327	431.70	17,84,42,280	356.88
	21,58,51,327	431.70	17,84,42,280	356.88

Note:

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
At the commencement of the year	17,84,42,280	356.88	50,00,000	50.00
Add: Equity shares issued during the year (Rs 10 each) *	-	-	8,29,026	8.29
Total before split (Rs 10 each)	17,84,42,280	356.88	58,29,026	58.29
Adjustment for split of shares from Rs 10 to Rs 2 (Refer note below)	-	-	2,91,45,130	-
Add: Equity shares issued during the year (Rs 2 each) #	-	-	5,95,250	1.19
Add: Bonus shares issued during the year (Rs 2 each)	-	-	14,87,01,900	297.40
Add: Equity shares issued during the year due to Initial public offer (Rs.2 each) (refer note 52)	3,74,09,047	74.82	-	-
At the end of the year	21,58,51,327	431.70	17,84,42,280	356.88

* During the previous year, the Holding Company has undertaken a private placement of 8,29,026 equity shares aggregating to Rs. 3481.91 million at an issue price of Rs. 4200 per equity share based on the independent valuation undertaken from the registered valuer.

During the previous year, the Holding Company has undertaken a private placement of 5,95,250 equity shares aggregating to Rs. 500.01 million at an issue price of Rs. 840 per equity share based on the independent valuation undertaken from the registered valuer.

Sub-division of equity shares

During the previous year, the Holding Company approved the sub-division of each equity share having a face value of Rs10 into 5 equity shares of Rs 2 each, pursuant to the resolution passed by the shareholders at the extraordinary general meeting held on October 16, 2024. The share split became effective from the record date, November 06, 2024.

(b) Rights, preferences and restrictions attached to equity shares

The Holding Company has one class of equity shares having par value of Rs.2 per share (March 31, 2025: Rs.2 per share). Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. Each shareholder is eligible to one vote per share held. The equity shareholders are entitled to receive dividend as declared from time to time.

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Holding Company, the holders of the equity shares will be entitled to receive remaining assets of the Holding Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Holding Company are set out below

Name of the shareholder	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% of holding	No. of shares	% of holding
Venugopalrao Maddisetty	5,00,33,310	23.18%	5,00,33,310	28.04%
Maddisetty Padma	4,99,83,330	23.16%	4,99,83,330	28.01%
Rajiv Maddisetty	2,50,41,680	11.60%	2,49,91,680	14.01%
Lahari Maddisetty	2,49,91,680	11.58%	2,49,91,680	14.01%
	15,00,50,000	69.52%	15,00,00,000	84.07%

(d) Details of shares held by promoter and promoter group :

Particulars	As at March 31, 2026			As at March 31, 2025		
	Number of shares	% of holding	% of change	Number of shares	% of holding	% of change
Venugopalrao Maddisetty	5,00,33,310	23.18%	4.86%	5,00,33,310	28.04%	5.32%
Maddisetty Padma	4,99,83,330	23.16%	4.85%	4,99,83,330	28.01%	5.31%
Rajiv Maddisetty	2,50,41,680	11.60%	2.40%	2,49,91,680	14.01%	2.66%
Lahari Maddisetty	2,49,91,680	11.58%	2.43%	2,49,91,680	14.01%	2.66%
Mudduluru Dheeraj Varma	7,140	0.00%	0.00%	7,140	0.00%	0.00%
	15,00,57,140	69.52%	14.55%	15,00,07,140	84.07%	15.93%

During the year, there has been a change in the promoter and promoter group shareholding pursuant to a Initial Public Offer (IPO).

During the previous year, there has been a change in the promoter and promoter group shareholding pursuant to a private placement of equity shares.

(e) 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 :

The Holding Company has not allotted any fully paid up shares pursuant to contract(s) without payment being received in cash. The Holding Company has not bought back any class of shares during the period of five years immediately preceding the balance sheet date except the detail as mentioned below:

Bonus issue of equity shares

During the previous year, the Holding Company issued and allotted fully paid-up bonus shares at par in the ratio of 5:1 (i.e., five equity shares of Rs 2 each for every one fully paid-up equity share of Rs 2 each), pursuant to the shareholders' approval granted in the Extra-Ordinary General Meeting held on February 01, 2025 and Board meeting held on February 03, 2025 respectively. The allotment was made based on the record date of January 31, 2025.

As per the records of the Holding Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.



20 Other equity

Particulars		As at March 31, 2026	As at March 31, 2025
Retained earnings	i	10,713.94	7,740.96
Other comprehensive income	ii	20.66	23.05
Capital reserve	iii	119.07	119.07
General reserve	iv	37.71	37.71
Foreign currency translation reserve	v	(3.00)	(3.80)
Securities premium	vi	10,752.90	3,425.08
Total other equity		21,641.28	11,342.07
(i) Retained earnings			
Opening balance		7,740.96	5,064.88
Add: Profit for the year		2,975.68	2,676.08
Less: Acquisition of additional interest in subsidiary		(2.70)	-
Closing balance *		10,713.94	7,740.96
(ii) Other comprehensive income			
Opening balance		23.05	22.84
Add/(Less): Addition during the year		(2.39)	0.21
Closing Balance		20.66	23.05
(iii) Capital reserve			
Opening balance		119.07	119.07
Add/(Less): Addition during the year		-	-
Closing balance		119.07	119.07
(iv) General reserve			
Opening balance		37.71	37.71
Add/(Less): Addition during the year		-	-
Closing balance		37.71	37.71
(v) Foreign currency translation reserve			
Opening balance		(3.80)	(4.33)
Add/(Less): Addition during the year		0.80	0.53
Closing balance		(3.00)	(3.80)
(vi) Securities premium			
Opening balance		3,425.08	105.60
Add: Securities premium on equity shares issued during the year		8,116.66	3,972.44
Less: Bonus issue		-	(297.40)
Less: Pre-IPO expenses debited to securities premium		(788.84)	(355.56)
Closing balance		10,752.90	3,425.08
Total (i+ii+iii+iv+v+vi)		21,641.29	11,342.07

* Its includes revaluation reserve of Rs. 780.43 million as at March 31,2026 and Rs. 780.43 million as at March 31,2025 arising from the revaluation of assets.

B. Nature and purpose of reserves:

(i) Retained earnings

Retained earnings are profit/loss that the Group has earned till date less transfer to other reserve, dividend or other distribution or transaction with shareholder.

(ii) Other items of other comprehensive income

Other items of other comprehensive income consist of re-measurement of net defined benefit liability.

(iii) Capital reserve

Capital reserve represents the accumulated excess of the fair value of net assets acquired under acquisition over the aggregate consideration transferred.

(iv) General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

(v) Foreign currency translation reserve

The exchange differences arising on translation of foreign operations for consolidation are recognised foreign currency translation reserve in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in statement of profit and loss.

(vi) Securities premium

The securities premium is used to record the premium received on the issue of shares. This reserve can be utilized only for limited purposes, such as the issuance of bonus shares, in accordance with the provisions of the Companies Act, 2013.



21 Borrowings (Non current)

Particulars	As at March 31, 2026	As at March 31, 2025
(A) Secured		
Term loan		
from banks	71.22	120.52
from financial institution	5,995.94	121.23
Total secured borrowings	6,067.16	241.75

Secured loans are covered as follows :

Particulars	As at March 31, 2026	As at March 31, 2025
Term loan from banks		
1) Guaranteed Emergency Credit Line (GECL) Loan: Canara Bank	13.65	40.95
Less: Current maturities disclosed as short-term borrowings in note 25	(13.65)	(27.30)
	-	13.65

Terms & conditions

Rate of interest: Interest rate is a floating interest rate ranges from 6.25%-9.5% p.a.
(March 31, 2025: 7.5%-9.25%p.a)

Repayment: 48 EMI's with moratorium of 12 months w.e.f December 13, 2022

Security details: Loan given under working capital limit, with securities of debtors & stock.

2) Guaranteed Emergency Credit Line (GECL) Loan: Canara Bank

Less: Current maturities disclosed as short-term borrowings in note 25

(B)

Terms & conditions

Rate of interest: Interest rate is a floating interest rate ranges from 6.25%-9.5% p.a.
(March 31, 2025: 7.5%-9.25%p.a)

Repayment: 48 EMI's after moratorium period of 24 Months i.e., December 06, 2023

Security details: Secured against debtors and stock

3) Guaranteed Emergency Credit Line (GECL) Loan: Canara Bank

Less: Current maturities disclosed as short-term borrowings in note 25

(C)

Terms & conditions

Rate of interest: 9.25% p.a

Repayment: 36 EMI's after 12 months moratorium period w.e.f. December 31, 2022

Security details: Loan given under working capital limit, with securities of debtors & stock

4) Guaranteed Emergency Credit Line (GECL) Loan : Canara Bank

Less: Current maturities disclosed as short-term borrowings in note 25

(D)

Terms & conditions

Rate of interest: 9.25% p.a

Repayment: Repayable in 36 EMI's after 24 Months Moratorium period w.e.f. April 25, 2024

Security details: Loan given under working capital limit, with securities of debtors & stock

5) Vehicle loan: Canara bank

Less: Current maturities disclosed as short-term borrowings in note 25

(E)

Terms & conditions

Rate of interest: 8.50% p.a.

Repayment: Repayable in 84 EMI's

Security details: Loan given under hypothecation of 4 wheeler

Term loan from financial institutions

6) Oxyzo Financial Services Private Limited term loan

Less: Current maturities disclosed as short-term borrowings in note 25

(F)

Terms & conditions

Rate of interest: 13.25% p.a.

Repayment: Repayable in 12 EMI's w.e.f. December 26, 2025

Security details: Loan given under term loan, with cash collateral lien of fixed deposit

7) Indian Renewable Energy Development Agency Limited - IREDA

Less: Current maturities disclosed as short-term borrowings in note 25

(G)

Terms & conditions

Rate of interest: Interest rate is a floating interest rate ranges from 8.96%-10.20%p.a.
(March 31, 2025: 8.96%-10.20%p.a.)

Repayment: Repayable in quarterly installments over 10 Years

Security details: Against charge on movable assets of project and personal guarantee of promoters as a financial assistance by Indian Renewable Energy Development Agency



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8) Guaranteed Emergency Credit Line (GECL) Loan - IREDA	-	12.91
Less: Current maturities disclosed as short-term borrowings in note 25	-	(12.91)
	(H)	-

Terms & conditions

Rate of interest: Interest rate is a floating interest rate ranges from 8.96%-10.20%p.a.

(March 31, 2025: 8.96%-10.20%p.a.)

Repayment: Repayable in 48 EMTs w.e.f. 28.02.2022

Security details: Loan given under against charges on movable assets of project & personal guarantee of promoters

9) Toyota Financial Services India Ltd.	-	0.44
Less: Current maturities disclosed as short-term borrowings in note 25	-	(0.44)
	(I)	-

Terms & conditions

Rate of Interest: 7.45% p.a

Repayment: Repayable in 36 EMIs

Security details: The above loan is for purchase of car

10) Indian Renewable Energy Development Agency Limited (Term Loan)	6,104.88	-
Less: Current maturities disclosed as short-term borrowings in note 25	(169.60)	-
	(J)	5,935.28

Rate of Interest: 9.90% p.a

Repayment: 36 EMI Quarterly Payment Starting from FY 2027-28.

Note:

Nature of borrowing and security details :

(a) One of the subsidiary Company i.e. PREPL has availed term loan facilities from Indian Renewable Energy Development Agency Limited (IREDA) for financing its Battery Energy Storage System (BESS) Project in Maharashtra, awarded by MSEDCL i.e sanctioned limit of Rs. 12,215.00 million, outstanding balance as at March 31, 2026 : Rs. 5,935.28 million (March 31, 2025 : Nil).

(b) This loan is secured by a first-ranking charge over the project assets, project receivables and other security interests created in respect of the project of "PREPL". The facility is additionally supported by a corporate guarantee provided by Holding Company and personal guarantees provided by Mr. Venugopal Rao Maddisetty, Mrs. Padma Maddisetty and Mr. Rajiv Maddisetty. The guarantees are irrevocable and unconditional in nature.

Total long term borrowings (A+B+C+D+E +F+G+H+I+J)	6,067.16	241.75
Total current maturities of long term borrowings	376.94	206.14
Current maturities of long term borrowings from banks	49.16	73.40
Current maturities of long term borrowings from financial institutions	327.65	132.74

22 **Non-current lease liabilities**

Particulars	As at March 31, 2026	As at March 31, 2025
Lease liabilities (refer note 41)	198.20	4.52
Total	198.20	4.52

23 **Other financial liabilities - non current**

Particulars	As at March 31, 2026	As at March 31, 2025
Rent deposits	5.03	1.80
Total	5.03	1.80

24 **Provisions**

Particulars	As at March 31, 2026	As at March 31, 2025
Non current		
Gratuity (refer note 46)	57.00	39.16
Compensated absences	36.98	23.50
Provision for warranty (refer note 24.1)	444.33	587.17
Total	538.31	649.83
Current		
Gratuity (refer note 46)	7.13	3.81
Compensated absences	7.12	3.76
Provision for warranty (refer note 24.1)	142.56	66.76
Provision for liquidated damages (refer note 24.2)	233.37	216.57
Total	390.18	290.90

24.1 **Movement in provision for warranty (current and non current):**

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	653.93	273.23
Recognised during the year	38.05	380.70
Utilised / (reversed) during the year	(105.08)	-
Balance at the end of the year	586.89	653.93
Non current	444.33	587.17
Current	142.56	66.76

The Group has made provision for warranty expenses expected to be incurred during defect liability period which are in the nature of assurance warranty. The Group expects to incur the related expenditure over the defect liability period.



24.2 Movement in provision for liquidated damages:

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	216.57	-
Recognised during the year	16.80	216.57
Utilised during the year	-	-
Reversed during the year	-	-
Balance at the end of the year	233.37	216.57

Liquidated damages represents the estimated cost the Group is likely to incur during defect liability period as per the contract obligations and in respect of completed construction contracts accounted under Ind AS 115 "Revenue from contracts with customers".

25 Current financial liabilities - borrowing

Particulars	As at March 31, 2026	As at March 31, 2025
(A) Secured (carried at amortised cost)		
From banks		
Working capital facilities from banks	2,232.73	749.72
Current maturities of long term borrowings	49.16	73.40
From financial institutions		
Trade finance loan	33.68	201.69
Supplier financing arrangement	851.54	-
Current maturities of long term borrowings	327.65	132.74
(B) Unsecured		
Loans from related parties (refer note 45)	45.36	207.69
Total	3,540.12	1,365.24

Notes:

i) Secured loans:-

Details of cash credit and working capital demand loan:

(a) The Holding Company and one of the subsidiary "Lineage Power Private Limited" has availed cash credit and working capital demand loan facilities from Canara Bank i.e sanction Limits of Rs.1,000.00 million, outstanding balance as at March 31,2026 : Rs.845.52 million,(March 31,2025 : Rs.745.83 million). These facilities are secured by pari-passu charge against all Inventory and trade receivables,present and future of the Holding Company and one of the subsidiary "Lineage Power Private Limited" and are guaranteed by director. The loan are repayable on demand and carry interest rate in the range of 9.70% to 11.75% p.a.

(b) The Group has availed working capital facilities from ICICI Bank and has sanction limit of Rs. 100.00 Million, outstanding balance as at March 31,2026 : Rs. 98.88 million, (March 31,2025 : Rs. 3.89 million). These facilities are secured against fixed deposit as margin money for the purpose of working capital requirements. The interest rate in the range of 9.70% p.a to 11.75% p.a.

(c) The Group has availed working capital facilities from IDBI Bank and has sanction limit of Rs. 500.00 Million, outstanding balance as at March 31,2026 : Rs. 493.63 million, (March 31,2025 : Nil). These facilities are secured against fixed deposit as margin money for the purpose of working capital requirements. The interest rate in the range of 8.95% p.a to 10.50% p.a.

(d) The Group has availed working capital facilities from RBL Bank and has sanction limit of Rs. 300.00 Million, outstanding balance as at March 31,2026 : Rs. 299.15 million, (March 31,2025 : Nil). These facilities are secured against fixed deposit as margin money for the purpose of working capital requirements. The interest rate in the range of 8.95% p.a to 10.50% p.a.

(e) The Holding Company has availed cash credit and working capital demand loan facilities from HDFC Bank i.e sanction Limits of Rs. 500 million, outstanding balance as at March 31,2026 : Rs. 495.55 million (March 31, 2025 : Rs.Nil). These facilities are secured by pari-passu charge against all inventory and trade receivables,present and future, and are guaranteed by director. The loan are repayable on demand and carry interest rate in the range of 8.75%p.a.

From financial institution

(e) The Group has availed trade finance from Oxyzo Financial Services Private Limited and has sanctioned limit of Rs.200.00 million outstanding balance as at March 31,2026 : Rs. 33.68 million, March 31,2025 : Rs. 201.69 million). These facilities are secured against bank guarantee for the purpose of trade finance and carry interest rate in the range of 13.25% to 14.00% p.a.

(c) Certain suppliers are subject to supplier financing arrangements whereby the original obligation to the supplier is extinguished upon payment by a financing institution and replaced by an obligation to the financier, with a significantly extended repayment period and outstanding balance as at (March 31,2026: Rs.851.54 million, March 31, 2025: Nil).

ii) Unsecured loan

(a)The unsecured loans from related parties and directors are repayable on demand and carries interest rate at 12.00 % p.a.

Reconciliation between opening and closing liabilities arising from financing activities:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Borrowings	Lease liabilities	Borrowings	Lease liabilities
Balance at the beginning of the year	1,606.99	8.44	4,931.87	4.69
Cash flows:				
Payment of lease liabilities	-	(3.89)	-	(3.15)
Interest expense paid on lease liabilities	-	(0.83)	-	(1.03)
Proceeds of long term borrowings	6,104.88	-	218.10	-
Repayment of long term borrowings	(102.16)	-	(482.06)	-
Proceeds/(repayment) of short term borrowings	1,971.16	-	(3,060.92)	-
Finance costs paid	(285.84)	-	(1,150.48)	-
Non-cash changes:				
Finance costs	312.24	-	1,150.48	-
New lease liabilities recognised	-	198.00	-	6.90
Interest expense accrued during the year	-	0.83	-	1.03
Closing balance	9,607.27	202.55	1,606.99	8.44

26 Lease liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Lease liabilities (refer note 41)	4.35	3.92
Total	4.35	3.92



27.1 Trade payables

(a) Particulars	As at March 31, 2026	As at March 31, 2025
Total outstanding dues of micro enterprises and small enterprises	141.37	138.98
Total outstanding dues of creditors other than micro enterprises and small enterprises	17,777.89	10,011.27
Total	17,919.26	10,150.25

Of the above trade payables amounts due to related parties are as below:

Trade payables due to related parties (refer note 45)	2,298.24	1,789.00
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- (a) Trade payables are generally non-interest bearing and are settled within normal operating cycle of the Group.
(b) Refer note 47 for information about credit risk and market risk of trade payables.

(b) Trade payables ageing schedule
As at March 31, 2026

Particulars	Unbilled	Not due	Outstanding for following periods from due dates of payment as at March 31, 2026				Total
			Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Total outstanding dues of micro enterprises and small enterprises	-	69.43	59.20	12.73	0.01	-	141.37
Total outstanding dues of creditors other than micro enterprises and small enterprises	8,206.75	3,943.01	3,963.56	1,579.10	58.15	27.32	17,777.89
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	8,206.75	4,012.44	4,022.76	1,591.83	58.16	27.32	17,919.26

As at March 31, 2025

Particulars	Unbilled	Not due	Outstanding for following periods from due dates of payment as at March 31, 2025				Total
			Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Total outstanding dues of micro enterprises and small enterprises	-	105.14	33.65	0.19	-	-	138.98
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,406.28	3,659.61	2,771.35	131.17	26.84	16.02	10,011.27
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	3,406.28	3,764.75	2,805.00	131.36	26.84	16.02	10,150.25

Note:

(a) The Holding Company engaged in business transactions with the related party, Pace Power Tanzania Limited, in a previous years for the import of goods or services. As a result, the Group has outstanding foreign currency payables amounting as at March 31, 2026 to Rs. 1.18 million and March 31, 2025 of Rs.1.79 million. However, these payables have remained unsettled for more than three years from the transaction date, as Pace Tanzania Limited does not have a bank account to which the Group can transfer the funds within the timeframe prescribed under the Foreign Exchange Management Act, 1999.

(b) Lineage Power Private Limited ("Subsidiary") engaged in business transactions with the related party, Pace Power Tanzania Limited, in a previous year, for the import of goods or services. Consequently, the Company has outstanding foreign currency payables amounting as at March 31, 2026 to Rs. 2.95 million and March 31, 2025 to Rs.3.28 million. However, these payables of Rs 2.24 million have remained unsettled for more than three years from the transaction date, as Pace Power Tanzania Limited does not have a bank account to which the Company can transfer the funds within the timeframe specified under the Foreign Exchange Management Act, 1999.

c) Lineage Power Private Limited ("Subsidiary") has undertaken business transactions with foreign vendors during the year, resulting in foreign currency payables on account of import of goods and services. As at March 31, 2026, foreign currency payables amounting as at March 31, 2026 to Rs.31.55 million and March 31, 2025 to Rs.73.21 million have an ageing of more than 180 days, and Rs.29.26 million have an ageing of more than one year. The Company is in the process of obtaining the necessary approvals from the relevant regulatory authorities in this regard.

In accordance with the Reserve Bank of India's (RBI) Master Direction on the Import of Goods and Services, prior approval from an AD Category-I Bank/RBI is required for an extension, except in cases where the foreign currency payable is settled within six months or within 12 months if the shipment date for imports was on or before July 31, 2020. The Company is subject to approval from the AD Category-I Bank/RBI to ensure compliance with the Foreign Exchange Management Act, 1999.



28 Other financial liabilities - current

Particulars	As at March 31, 2026	As at March 31, 2025
Carried at amortised cost		
Retention money	4.70	10.93
Expenses payable related to Pre-IPO	-	187.00
Security deposits	464.20	276.57
Provision for unspent CSR	4.77	31.07
Government Grants (Refer note 44)	275.40	-
Employee related payables*	155.09	100.74
Other expense payable	48.62	-
Total	952.78	606.32

It includes balance payable to related party of Rs.6.58 million as at March 31, 2026 (Rs.6.41 million as at March 31, 2025) and refer note 42.

Refer note 46 for information about liquidity risk and market risk of other financial liabilities.

29.2 Other current liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Statutory liabilities*	172.25	177.39
Contract liabilities	17.60	16.75
Advance from customer	20.15	11.64
Total	210.00	205.78

*It includes amounts related to statutory dues such as Income Tax, Goods and Services Tax (GST), Employees State Insurance (ESI), and Provident Fund (PF) etc.

29.3 Other non-current liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Contract liabilities	316.41	-
Total	316.41	-

30 Current tax liabilities (net)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for income tax (net of advance tax and TDS of Rs. 336.88 million at March 31, 2026 and Rs. 166.89 million as at March 31, 2025)	478.05	879.23
Total	478.05	879.23



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(Amounts are ₹ in million unless otherwise stated)

31 Revenue from operations

A. Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of products and services		
Sale of products	11,044.19	294.64
Sale-engineering, procurement and construction project (EPC)	14,579.83	23,762.31
Sale of services	788.68	330.85
Total revenue from operations	26,412.70	24,387.80

B. Disaggregation of revenue from contracts with customers :

The group undertakes telecom towers, transmission line towers survey, tower accessories, supply of materials, design, erection, testing and commissioning on a turnkey basis, development, operation and maintenance of EPC projects, generation of power from renewable energy sources i.e. solar, rooftop solar projects and related ancillary services and operating and maintaining solar power plants as an Independent Power Producer (IPP) and Captive Power Producer (CPP) and trading of goods and other related services. (Refer note 49).

C. The following table provides information about revenue recognised over point in time and satisfied over time

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Point in time	10,434.35	380.99
Satisfied over time	15,978.35	24,006.81
Revenue from contracts with customers	26,412.70	24,387.80

D. Contract assets

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	-	-
Less: Bills raised	-	-
Less: Reversed during the year	-	-
Addition during the year	-	-
Closing balance	-	-

E. Contract liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at beginning of the year	16.75	3.82
Add: Amount billed but not recognized as revenue	609.41	12.93
Less: On account of revenue recognized during the year	(16.75)	-
Balance at the end of the year	609.41	16.75

F. Contract balances

The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers.

Particulars	As at March 31, 2026	As at March 31, 2025
-Receivables, which are included in 'trade receivables'	24,421.69	12,709.81
Contract assets (unbilled revenue)	-	-
Contract liabilities (unearned revenue)	609.41	16.75

G. Reconciliation of contract price

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue as per contracted price	26,429.50	24,604.37
Adjustments for:		
Less: Liquidated damages	(16.80)	(216.57)
Total Revenue from contract with customers	26,412.70	24,387.80



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32 Other income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income from financial assets carried at amortised cost		
Fixed deposits with banks	253.61	180.39
Other interest income	5.37	4.67
Interest income on security deposits	1.10	2.18
Interest income on lease receivables	36.83	-
Other non-operating income		
Rental income (refer note 5)	7.79	6.93
Reversal of warranty expenses	105.08	-
Liabilities no longer required written back	47.25	10.52
Profit on sale of property, plant and equipment	0.39	2.79
Other gains/ (losses)		
Gain on foreign exchange fluctuation	-	0.04
Reversal of expected credit loss	3.66	25.38
Miscellaneous income	0.00	1.32
Total	461.08	234.22

33 Cost of materials consumed

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening stock	1,100.68	1,840.33
Add: Purchases during the year	12,332.84	6,440.92
Less: Closing stock	(5,049.29)	(1,100.68)
Total	8,384.23	7,180.57

33.2 Engineering, procurement and construction project expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Engineering, procurement and construction project expenses	8,807.61	9,156.38
Total	8,807.61	9,156.38

34 Purchases of stock-in-trade

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Purchases	2,783.69	47.15
Total	2,783.69	47.15

35 Changes in inventories

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventories at the beginning of the year	25.61	876.56
Inventories at the end of the year	353.82	25.61
Total changes in inventories	(328.21)	850.97

36 Employee benefits expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages and bonus	875.57	606.20
Contributions to provident and other funds (refer note 46)	40.98	28.14
Gratuity expenses (refer note 46)	16.26	11.64
Staff welfare expenses	26.19	21.15
Total	959.00	667.13



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37 Finance costs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expenses on borrowing	312.24	1,021.30
Interest on lease liabilities (refer note 41)	0.83	1.03
Interest on payment of taxes	115.28	-
Unwinding of interest on warranty provision	38.05	-
Unwinding of discount on security deposit received	0.95	1.29
Other borrowing costs*	130.88	127.88
Total	598.23	1,151.50

* Primarily includes bank guarantee charges of Rs. 100.78 million (for previous year Rs.101.22 million) and letter of credit charges of Rs.29.57 million (for previous year Rs.26.11 million) and other financial charges of Rs. 0.53 million (for previous year Rs. 0.54 million)

38 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation on property, plant and equipment (refer note 3)	99.09	39.78
Depreciation on investment property (refer note 5)	0.86	0.92
Depreciation on right to use assets (refer note 6)	4.34	3.78
Amortisation on other intangible assets (refer note 8)	15.75	16.01
Total	120.04	60.49

39 Other expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Power and fuel	53.19	28.62
Bank charges	33.04	22.54
Rent expenses (refer note 41)	191.44	252.30
Insurance expenses	16.84	47.42
Lab testing charges	2.42	4.22
Rates & taxes	46.32	52.59
Repairs & maintenance		
Plant and equipment	3.32	3.55
Buildings	5.58	6.50
Others	29.45	17.85
Communication expenses	9.68	11.33
Bad debts written off	38.82	68.88
Loss allowance for trade receivable	105.89	-
Travelling and conveyance expenses	131.31	165.60
Printing & stationery	5.01	4.61
Advertisement and sales promotion	7.50	3.82
Legal and professional expenses	180.03	213.11
Warranty charges	-	380.70
Security charges	9.09	6.91
Donation*	0.07	50.11
Auditor's remuneration and expenses	4.05	10.80
Corporate social responsibility expenses	49.78	23.90
Disposal of intangible assets under development	-	11.56
Freight outward	66.60	91.95
Consulting fees	0.50	0.48
Net foreign exchange rate fluctuation losses	226.79	25.39
Postage, courier & telephone expenses	10.64	6.82
Balance written off	0.73	119.76
Miscellaneous expenses	25.80	37.23
Total	1,253.90	1,668.54

*During previous year, the Holding Company's contribution of Rs.50.00 million to political parties under Section 182 of the Companies Act, 2013.



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40 Earnings per Share ("EPS")**The Group presents the basic and diluted EPS data for its equity shares****(i) Basic EPS** is computed by dividing the net profit for the year attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the year;**(ii) Diluted EPS** is computed by adjusting the net profit for the year attributable to the equity shareholders and the weighted average number of equity shares considered for deriving basic EPS for the effects of all the equity shares that could have been issued upon conversion of all dilutive potential equity shares.**The following table sets forth the computation of basic and diluted earnings per share:**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit after tax attributable to owners for computing Basic and Diluted EPS (A)	2,975.68	2,676.08
Number of equity share at the beginning of the year	17,84,42,280	50,00,000
Add: Share issued during the year through private placement	-	8,29,026
Total no of shares before split (Rs 10 each)	17,84,42,280	58,29,026
Add: Stock split ratio 1:5	-	2,91,45,130
Add: Share issued during the year through private placement	-	5,95,250
Add: Bonus shares issued during the year	-	14,87,01,900
Add: Share issued during the year through Initial Public Offer (IPO)	3,74,09,047	-
Number of equity share at the end of the year	21,58,51,327	17,84,42,280
Weighted average number of equity shares outstanding during the year for computing Basic EPS (B)	19,68,90,577	16,42,23,556
Dilutive effect on weighted average number of equity shares outstanding during the year	-	-
Weighted average number of equity shares in calculating diluted EPS (C)	19,68,90,577	16,42,23,556
Face value of equity shares (₹)	2.00	2.00
Basic earnings per share (A / B) (Rs.)	15.11	16.30
Diluted earnings per share (A / C) (Rs.)	15.11	16.30

Note:

During the current year, the Holding Company issued 3,74,09,047 equity shares of Rs.2 each pursuant to an Initial Public Offer (IPO), aggregating to Rs.8,191.48 million (including securities premium), comprising 55,080 shares issued to employees at Rs.199 per share and 3,73,53,967 shares issued to other investors at Rs.219 per share which got allotted on October 03, 2025.

The Board of Directors, at their meeting held on October 16, 2024, recommended for the sub-division of equity shares of the Holding Company from existing face value of Rs. 10/- each into face value of Rs. 2/- each (i.e. split of 1 equity share of Rs. 10/- each into 5 equity shares of Rs. 2/- each), and the same has been approved by the shareholders in the extraordinary general meeting of the Holding Company held on October 16, 2024. Accordingly, face value of the equity shares of the Holding Company now stand at Rs. 2/- each w.e.f. the record date November 06, 2024.

Pursuant to the approval of shareholders granted in the board meeting held on February 01, 2025, the Holding Company issued and allotted fully paid-up "bonus shares" at par in the proportion of five new equity shares of Rs. 2 each for every one existing fully paid-up equity share of Rs. 2 each held as on the record date of February 03, 2025.



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41 Leases as lessee

The Group has entered into agreements for leasing office building on lease and for entering into said lease.

a) Amounts recognised in profit or loss

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expense on lease liabilities	0.83	1.03
Depreciation charge on right of use assets	4.34	3.78
Expense relating to short term lease and lease of low value assets (refer note 39(A))	191.44	252.30
Total	196.62	257.11

b) The following is the movement in lease liabilities during the year

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	8.44	4.69
Addition during the year	198.00	6.90
Deletion during the year	-	-
Finance cost accrued during the year	0.83	1.03
Interest expense paid on lease liabilities	(0.83)	(1.03)
Payment of lease liabilities	(3.89)	(3.15)
Balance at the end of the year	202.55	8.44

c) The following is the break-up of current and non-current lease liabilities:

Particulars	As at March 31, 2026	As at March 31, 2025
Current lease liabilities	4.35	3.92
Non-current lease liabilities	198.20	4.52
Total	202.55	8.44

d) The contractual maturity of lease liabilities on an undiscounted basis is as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Not later than one year	77.96	4.72
Later than one year but not later than five years	213.19	4.83
Later than five years	-	-
Total	291.15	9.55

A. The Group has also entered into leases of low-value assets and short-term leases (less than twelve months). In line with applicable accounting standards, these leases are not recognized as right-of-use assets or lease liabilities. Instead, lease payments are expensed on a straight-line basis under "Rent expenses" in the statement of profit and loss.

B. Group's as a Lessor

The Group has given a premises under cancellable operating lease arrangement. For gross carrying amount, accumulated depreciation and depreciation recognized in the statement of profit and loss in respect of such portion of the leased premises (Refer note 5). Lease income is recognised in the statement of profit and loss under "Other Income". Initial direct costs incurred, if any, to earn revenues from a lease are recognised as an expense in the statement of profit and loss in the period in which they are incurred.



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42 Tax expenses

A. Income tax expense recognised in statement of profit and loss

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Current tax	1,125.18	1,146.33
Taxes relating to earlier years	7.15	73.48
Deferred tax charge/(credit): other than that disclosed under OCI	90.32	(171.54)
Tax expenses for the year	1,222.65	1,048.27

B. Reconciliation of income tax expense

A reconciliation of income tax expense applicable to accounting profit / (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Reconciliation of effective tax rate		
Accounting profit/(loss) before income tax (A)	4,295.29	3,839.29
Enacted income tax rate (%)	25.17%	25.17%
Tax amount on enacted income tax rate in India	1,081.12	966.35
Tax effect of :		
Tax effect of amounts which are deductible (non-taxable) in calculating taxable income	137.56	9.51
Tax effect of amounts chargeable at special rate	(4.74)	(0.52)
Permanent Adjustments & Taxable revenue excluded from books due to dealer lessor accounting.	1.56	-
Adjustments in respect of current income tax of previous year	7.15	73.48
others	-	(0.55)
Income tax expenses recognised in the statement of profit and loss (B)	1,222.65	1,048.27

C. Amount recognised in other comprehensive income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Deferred tax		
Re-measurement of defined benefit obligation (Items that will not be reclassified to profit or loss)	(4.71)	0.19
Tax on remeasurement of defined benefit plan charge/(credit)	1.18	(0.05)
Tax expense for the year	1.18	(0.05)

Movement of deferred tax (assets) and liabilities (net) for the year ended March 31, 2025

Particulars	Opening balance As at April 01, 2024	Recognised /(reversed) through the statement of profit and loss	Recognised through OCI	Closing balance as at March 31, 2025
Deferred tax (liability) on:				
Property, plant and equipment and other intangible assets: Impact of difference between tax depreciation allowed under the Income Tax Act and depreciation/amortisation charged for financial reporting	(29.65)	62.53	-	32.88
Right of use assets and lease liability	(0.03)	0.00	-	(0.03)
Remeasurement of inventory valuation	(3.54)	3.54	-	-
Interest income and expense on corporate guarantee	(31.10)	31.06	-	(0.04)
Provision for warranty	(1.25)	32.59	-	31.34
Provision for liquidated damages	-	54.51	-	54.51
Others	(13.37)	13.37	-	0.00
Deferred tax asset on:				
Expected credit loss and reversal of revenue and related cost	116.78	(30.85)	-	85.94
Security deposit (Ind AS)	0.06	-	-	0.06
Provision for employee benefit	17.51	4.80	(0.05)	22.26
Net deferred tax asset/(liability)	55.41	171.54	(0.05)	226.92

Movement of deferred tax (assets) and liabilities (net) for the year ended March 31, 2026

Particulars	Opening balance As at April 01, 2025	Recognised /(reversed) through the statement of profit and loss	Recognised through OCI	Closing balance as at March 31, 2026
Deferred tax (liability) on:				
Property, plant and equipment and other intangible assets: Impact of difference between tax depreciation allowed under the Income Tax Act and depreciation/amortisation charged for financial reporting	32.88	(176.68)	-	(143.80)
Right of use assets and lease liability	(0.03)	5.95	-	5.92
Finance lease receivables	-	(72.72)	-	(72.72)
Interest income and expense on corporate guarantee	(0.04)	-	-	(0.04)
Provision for warranty	31.34	0.00	-	31.34
Provision for liquidated damages	54.51	4.23	-	58.74
Deferred tax asset on:				
Expected credit loss and reversal of revenue and related cost	85.94	25.73	-	111.67
Security deposit (Ind AS)	0.06	-	-	0.06
Provision for employee benefit	22.26	10.58	1.18	34.02
Business losses carry forward	-	113.47	-	113.47
Net deferred tax asset/(liability)	226.92	(90.32)	1.18	138.51



43 Lease receivable

One of the Subsidiary Company "PREPL" has delivered certain project sites to its customer i.e. "Maharashtra State Electricity Distribution Company Limited" (MSEDCL) along with operations and maintenance of the same. This is accounted as finance lease as the material risks and rewards are transferred to the lessee

The average effective interest rate considered approximates 9.75% p.a.

The following amounts are recognised in the statement of profit and loss :

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from sale of products	5,578.30	-
Total revenue from operation	5,578.30	-

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income on finance lease	36.83	-
Interest income on finance lease	36.83	-

The following amounts are included in the balance sheet :

Particulars	As at March 31, 2026	As at March 31, 2025
Current finance lease receivables	253.42	-
Non-current finance lease receivables	5,315.04	-
Total lease receivables	5,568.46	-

The table below provides details regarding the undiscounted contractual maturities of finance lease receivables:

Particulars	As at March 31, 2026				
	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due beyond 5th year	Total contractual cash flow
Total undiscounted lease receivable	606.72	606.72	1,820.17	4,430.88	7,464.50
Unearned finance income	414.78	395.21	916.30	1,108.71	2,835.00
Net Investment in the lease	191.94	211.52	903.87	3,322.17	4,629.49

The table below provides details regarding the undiscounted contractual maturities of finance lease receivables:

Particulars	As at March 31, 2025				
	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due beyond 5th year	Total contractual cash flow
Total undiscounted lease receivable	-	-	-	-	-
Unearned finance income	-	-	-	-	-
Net Investment in the lease	-	-	-	-	-

*Finance lease receivable outstanding as on March 31, 2026 is from MSEDCL, which is considered recoverable.

44 Government grant

The Group has received Viability Gap Funding (VGF) from the Government towards the development of BESS project sites. To the extent the related performance obligations have been satisfied, the corresponding VGF has been recognised in accordance with applicable accounting standards. The unearned portion of VGF relating to unsatisfied performance obligations as at the reporting date is presented as a contract liability.

The table below gives information about movement in Government grant:

Movement of government grants :

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	-	-
Add: Government grant accrued during the year	405.00	-
Less: Income recognised and accrued during the year	129.60	-
Closing balance of liability	275.40	-



45 Related party disclosures:

The related parties as per the terms of Ind AS-24, "Related Party Disclosures", notified under section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rules 2015 (as amended from time to time)), are disclosed below:

A. Names of related parties and description of relationship:

Related parties where control exists:

Entity name	Relationship
Pace Renewable Energies Private Limited	Wholly owned subsidiary
Lineage Power Holdings (Singapore) Pte Ltd	Subsidiary
Lineage Power Private Limited	Subsidiary
Inso Pace Private Limited	Subsidiary
AP Digital Infra Private Limited	Subsidiary (Upto January 20, 2026)
TransGreenx Energy Private Limited	Subsidiary (w.e.f. November 22, 2025)
Lineage Defence And Aerospace Private Limited	Subsidiary (w.e.f. December 23, 2025)
Pace Ecoplanet Solace Private Limited	Subsidiary (w.e.f. January 05, 2026)
Lineage Power (Myanmar) Limited	Step down subsidiary

Key management personnel (KMP):

Venugopalrao Maddisetty	Managing Director
Maddisetty Padma	Whole-Time-Director
Rajiv Maddisetty	Whole-Time-Director
Pandidurai Rajavendhan	Chief Financial Officer (CFO) (w.e.f. October 16, 2024)
Meghana Purushotham Manchaiah	Company Secretary (w.e.f. October 16, 2024)
Om Prakash Mishra	Independent Director (w.e.f. January 07, 2025)
Prabhakar Reddy Patil	Independent Director (w.e.f. February 01, 2025)
Satishchandra B Ogale	Independent Director (w.e.f. January 07, 2025)

Relatives of key management personnel

Mudduluru Dheeraj Varma	Brother of Maddisetty Padma
Rohitha Mudduluru	Spouse of Rajiv Maddisetty

Other entities over which key management personnel and their relatives are able to exercise significant influence:

Entity Name	Relationship
Pace Infra	Entities over which key management personnel and their relatives are able to exercise significant influence
Pace Power Systems	
Lanarsy Infra Limited	
Qogno Digital Infrastructure Private Limited	
Pace Power Africa Limited	
Pace Power Tanzania Limited	

B. The following table summarises related-party transactions and balances for the year ended March 31, 2026 and March 31, 2025 .

Transactions with the related parties for the year ended

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of products/Services		
Lanarsy Infra Limited	-	17.04
Pace Power Africa Limited	1.08	-
Total	1.08	17.04
Engineering, procurement and construction project expenses		
Lanarsy Infra Limited	1,148.91	1,355.84
Qogno Digital Infrastructure Private Limited	-	-
Total	1,148.91	1,355.84
Borrowings taken		
Pace Power Systems	-	47.00
Total	-	47.00
Repayment of borrowings		
Venugopalrao Maddisetty	91.39	19.53
Maddisetty Padma	79.72	14.78
Pace Power Systems	-	146.77
Total	171.11	181.08



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Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expenses		
Maddisetty Padma	6.48	9.79
Pace Power Systems	-	7.38
Venugopalrao Maddisetty	2.30	12.05
Total	8.78	29.22
Rent expenses		
Pace Power Systems	35.79	34.99
Total	35.79	34.99
Reimbursement of expenses		
Lanarsy Infra Limited	3.37	11.96
Total	3.37	11.96
Rent deposit received		
Pace Power Systems	-	19.70
Total	-	19.70
Other expenses		
Pace Power Africa Limited	-	9.08
Pace Power System	-	119.76
Total	-	128.84
Advance salary		
Rajiv Maddisetty	2.47	1.00
Total	2.47	1.00
Payments made on behalf of		
Pace Power Systems	3.59	12.63
Total	3.59	12.63
Equity shares issued during the year		
Mudduluru Dheeraj Varma	-	1.00
Total	-	1.00
Sitting fee paid to independent directors		
Om Prakash Mishra	2.80	0.20
Prabhakar Reddy Patil	2.84	0.10
Satishchandra B Ogale	3.44	0.20
Total	9.08	0.50
Compensation paid to key management personnel:		
Short term employee benefits		
Venugopalrao Maddisetty	31.47	31.47
Maddisetty Padma	20.33	20.33
Rajiv Maddisetty	10.92	10.92
Pandidurai Rajavendhan	7.79	6.20
Meghana Manchaiah Purushotham	1.95	0.96
Rohitha Mudduluru	6.70	-
Total	79.16	69.88
Post employee benefits		
Venugopalrao Maddisetty	10.60	8.60
Maddisetty Padma	0.12	0.12
Rajiv Maddisetty	0.78	0.18
Pandidurai Rajavendhan	0.18	0.20
Rohitha Mudduluru	6.70	6.30
Meghana Manchaiah Purushotham	0.02	0.02
Total	18.40	15.42



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C. The following balances are outstanding at the end of the reporting period in relation to transactions with related parties

Particulars	As at March 31, 2026	As at March 31, 2025
Trade receivables		
Lanarsy Infra Limited	18.77	14.79
Pace Power Systems	3.15	-
Pace Power Africa Limited	1.10	-
Total	23.02	14.79
Trade payables		
Pace Power Systems	41.63	35.55
Lanarsy Infra Limited	2,250.54	1,746.43
Pace Infra	1.95	1.95
Pace Power Tanzania Limited	4.12	5.07
Total	2,298.24	1,789.00
Borrowings		
Venugopalrao Maddisetty	22.94	112.03
Maddisetty Padma	22.42	95.66
Pace Power Systems	-	-
Total	45.36	207.69
Other current assets		
Advance to supplier		
Qogno Digital Infrastructure Private Limited	121.81	121.81
Total	121.81	121.81
Advance salary		
Rajiv Maddisetty	3.47	1.00
Total	3.47	1.00
Security deposit related to rent		
Pace Power Systems	21.26	21.26
Total	21.26	21.26
Remuneration payable to key managerial person		
Venugopalrao Maddisetty	2.62	2.62
Pandidurai Rajavendhan	0.57	0.95
Meghana Manchaiah Purushotham	0.17	0.24
Maddisetty Padma	1.69	1.69
Rajiv Maddisetty	0.91	0.91
Rohitha Mudduluru	0.62	-
Total	6.58	6.41

Note:

- Related parties and their relationships are as identified by the management and relied upon by the auditors. All transactions are conducted in the ordinary course of business and at arm's length.
- No termination benefits or share-based payment arrangements existed during the year March 31, 2026 and March 31, 2025 and accordingly no related expense, liability, or reserve has been recognised.



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46 Employee benefits

Disclosures pursuant to Ind AS - 19 "Employee Benefits" (notified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act) are given below :

Defined Contribution Plans:

The Group makes contribution in the form of provident funds as considered defined contribution plans and contribution to Employees Provident Fund Organisation. The Group has no further payment obligations once the contributions have been paid. Following are the schemes covered under defined contributions plans of the Group:

Provident Fund Plan & Employee Pension Scheme: The Group makes monthly contributions at prescribed rates towards Employee Provident Fund administered and managed by Ministry of Labour & Employment, Government of India.

Employee State Insurance: The Group makes prescribed monthly contributions towards Employees State Insurance Scheme and payment made to Employee State Insurance Corporation, Ministry of Labour & Employment, Government of India.

For Lineage Power Private Limited ("Subsidiary"), during the previous year, the defined benefit plan for gratuity is administered by gratuity trusts which are legally separate from the entities. The trustees of the gratuity trusts are required to act in the best interests of the members and/or their beneficiaries in accordance with the provisions of trust deeds.

The Group has charged the following costs in contribution to provident and other funds in the statement of profit and loss:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Group's contribution to provident fund	37.85	25.23
Group's contribution to employees state insurance	3.04	2.88
Group's contribution to labour welfare fund	0.09	0.03
Total	40.98	28.14

Defined Benefit Plan- Gratuity**The Group has the following defined benefit obligations:**

Gratuity: In accordance with the applicable laws, the Group provides for gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees. The gratuity plan provides for a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the gratuity plan are determined by actuarial valuation on the reporting date.

The following tables summaries the components of net benefits expense recognised in the consolidated statement of profit and loss (including other comprehensive income) and the amount recognised in the consolidated statement of assets and liabilities for the defined benefit plan.

i) Reconciliation of net defined benefit obligation

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components.

Defined benefit obligation	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	42.80	36.55
Current service cost	13.31	9.44
Interest cost	2.95	2.21
Benefit pay-outs from plan	0.19	(1.18)
Benefit payments from employer	-	(4.02)
Actuarial loss / (gain) arising from:		
- demographic assumptions	(0.26)	-
- financial assumptions	(1.56)	1.48
- experience adjustment	6.52	(1.67)
Balance at the end of the year	63.96	42.80

ii) Reconciliation of the net defined benefit liability / (asset)

Particulars	As at March 31, 2026	As at March 31, 2025
Fair value of plan assets at end of prior year	(0.17)	(0.17)
Employer contribution	-	-
Expected interest income of assets	0.00	0.00
Benefits pay-outs from plan	-	-
Actuarial gain/(loss)	(0.00)	0.00
Fair value of assets at the end of the year	(0.17)	(0.17)
Net defined benefit liability / (asset)	64.13	42.97



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iii) Amounts recognised in the statement of profit and loss

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Current service cost	13.31	9.44
Interest expense on DBO	2.95	2.21
Interest (income on plan asset)	-	(0.00)
Expenses recognised in the statement of profit or loss	16.26	11.64

iv) Amounts recognised in the other comprehensive income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Remeasurement loss (gain):		
- Actuarial loss (gain) arising from:		
- demographic assumptions	(0.26)	-
- financial assumptions	(1.56)	1.48
- experience adjustment	6.52	(1.67)
*Return on plan asset (more)/less than expected based on discount rate	0.00	0.00
	4.71	(0.19)

v) Amounts recognised in the statement of profit and loss

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cost recognised in profit and loss	16.26	11.64
Remeasurement effect recognised in OCI (gain)/loss	4.71	(0.19)
Net Expense	11.55	11.83

vi) Bifurcation of present value of obligation at the end of the year

Particulars	As at March 31, 2026	As at March 31, 2025
Current liability	7.13	3.81
Non current liability	57.00	39.16
Total liability	64.13	42.97

vii) Sensitivity analysis*

The following were the principal actuarial assumptions at the reporting date

Particulars	As at March 31, 2026	As at March 31, 2025
Discount rate	7.22%	6.89%
Salary escalation	7.00%	7.00%
Attrition rate	20.00%	10.00%
Mortality rate	NA	NA

*Sensitivity analysis disclosure involves reporting how changes in key variables affect a holding company's financial performance. It enhances transparency and risk assessment.

viii) Maturity profile of defined benefit obligation

Particulars	As at March 31, 2026	As at March 31, 2025
Year (I)	4.11	1.69
Year (II)	4.46	1.60
Year (III)	2.98	2.46
Year (IV)	5.36	1.39
Year (V)	2.43	4.58
Next 5 year pay-outs (6-10 years)	6.49	5.22
Pay-outs Above ten years	20.59	18.08
Vested benefit obligations	31.18	25.07

Note:

The Group has estimated and recognized the impact of the implementation of the new Labour Codes under employee benefits expense for the year ended March 31, 2026. The impact of the same is not material to the results for the year.

The gratuity has been provided in respect of the entity which are incorporated in India and having applicability of the Gratuity Act, 1972.



47 Disclosure on financial instruments

This section gives an overview of the significance of financial instruments for the group and provides additional information on balance sheet items that contain financial instruments.

The details of material accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in the consolidated financial statements.

A. Accounting classification, fair values measurements and fair value hierarchy

Details of financial assets and financial liabilities :

Particulars	As at March 31, 2026		As at March 31, 2025	
	Carrying values	Fair values	Carrying values	Fair values
A. Details of financial assets and financial liabilities :				
Financial assets measured at amortised cost				
Trade receivables	24,421.69	24,421.69	15,655.86	15,655.86
Cash & cash equivalents	2,699.72	2,699.72	783.54	783.54
Bank balances other than cash and cash equivalents	4,991.27	4,991.27	1,380.49	1,380.49
Finance lease receivables	5,568.46	5,568.46	-	-
Other financial assets	3,336.58	3,336.58	3,803.66	3,803.66
Total	41,017.72	41,017.72	21,623.55	21,623.55
B. Financial liabilities measured at amortised cost				
Borrowings	9,607.28	9,607.28	1,606.99	1,606.99
Lease liabilities	202.55	202.55	8.44	8.44
Trade payables	17,919.26	17,919.26	10,150.25	10,150.25
Other financial liabilities	957.80	957.80	608.12	608.12
Total	28,686.89	28,686.89	12,373.80	12,373.80

The management has assessed that trade receivables, cash and cash equivalents, other bank balances, finance lease receivables, other financial assets, borrowings, trade payables, lease liabilities and other financial liabilities approximate their carrying amounts largely due to the short term maturities of these instruments and are valued at level 3.

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. The following methods and assumptions were used to estimate the fair value.

- (i) The fair values of the group's interest-bearing borrowings are determined by using effective interest rate (EIR) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2026 and March 31, 2025 was assessed to be insignificant.
- (ii) Long-term receivables/payables are evaluated by the group's based on parameters such as interest rates, risk factors, individual creditworthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized 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



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47 Financial instrument- financial risk management objectives and policies

The group's principal financial liabilities comprise loans and borrowings, lease liabilities, trade payables, security deposits received, etc. The main purpose of these financial liabilities is to manage finances for the group's operations. The group's principal financial assets include investment, trade receivables, unbilled revenue, cash and cash equivalents, security deposits paid, etc. that derive directly from its operations. The group holds amortised cost investments.

The group is exposed to market risk, credit risk and liquidity risk. The group's senior management oversees the management of these risks. This process of risk management is critical to the group's continuing profitability and each individual within the group is accountable for the risk exposures relating to his or her The group's Board of Directors is ultimately responsible for the overall risk management approach and for approving the risk strategies and principles. No significant changes were made in the risk management objectives and policies during the year ended March 31, 2026 and March 31, 2025. The management of the group reviews and agrees policies for managing each of these risks which are summarised below:

The group has exposure to the following risks arising from financial instruments:

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

This note presents information about the group exposure to each of the above risks, the group objectives, policies and processes for measuring and managing risk, and the group management of capital.

1) Credit risk

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the group. The group is exposed to credit risk from its operating activities, primarily trade receivables. The credit risks in respect of deposits with the banks, foreign exchange transactions and other financial instruments are only nominal.

a) Trade receivables

Customer credit risk is managed in accordance with group's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and due after 0 to 90 days from the date of invoice. The group is entitled to demand interest, wherever applicable in case the customer does not pay within the due date. Outstanding customer receivables are regularly monitored. The ageing analysis of trade receivables as of the reporting date is as follows:

In order to contain the business risk especially with respect to long-duration construction & supply contracts, creditworthiness of the customer is ensured through scrutiny of its financials, status of financial closure of the project, if required, market reports and reference checks. The Company remains vigilant and regularly assesses the financial position of customers during execution of contracts with a view to restrict risks of delays and default. In view of its diversified business profile and considering the size of the Company, credit risks from receivables are well contained on an overall basis.

The impairment analysis is performed on each reporting period on individual basis for major customers. In addition, a large number of receivables are grouped and assessed for impairment collectively. The calculation of impairment loss is based on historical data of losses, current conditions and forecasts and future economic conditions. The Company's maximum exposure to credit risk at the reporting date is the carrying amount of each financial asset.

Overall, the credit risk from receivable is low in view of diverse businesses and government customers.

b) Provision for expected credit losses

The group customer base primarily comprises public sector undertakings (PSUs), government-owned entities, and large private sector corporates. Accordingly, the credit risk associated with its customers is considered low. The average project execution cycle ranges from 0 to 90 days. Payment terms generally include a mobilisation advance, monthly progress-based payments with credit periods ranging from 0 to 90 days, and retention amounts that are released upon completion of the project.

The group has established a robust mechanism for periodic review of overdue trade receivables at various levels of the organisation to ensure timely collection and effective monitoring. The Company recognises impairment provisions on trade receivables using the Expected Credit Loss (ECL) model in accordance with the applicable accounting standards.

Provision matrix (% , amounts) of ECL for trade receivables (other than specific credit losses separately recognised) is as under:

Reconciliation of expected credit loss provision

Trade receivables:

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at beginning of the year	340.20	365.59
Additional provisions recognised during the year	105.89	-
Provision reversed/utilised during the year	(3.66)	(25.38)
Balance at the end of the year	442.41	340.20

Expected credit loss under simplified approach for

Particulars	As at March 31, 2026	As at March 31, 2025
Ageing of gross carrying amount		
Unbilled revenue	10,796.21	4,444.38
Not due	4,790.32	4,487.00
less than 180 days	3,520.70	3,546.63
181-365 days	1,874.60	2,077.66
More than 1 year	3,882.27	1,440.40
Gross carrying amount	24,864.10	15,996.07
Expected credit loss	442.41	340.20
Net carrying amount	24,421.69	15,655.87



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(ii) Financial instruments and cash deposits :

The credit risk for cash deposits with banks and cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Also, no impairment loss has been recorded in respect of fixed deposits that are with recognized commercial banks and are not past due. The carrying amounts disclosed above are the group's maximum possible credit risk exposure in relation to these deposits.

Other financial assets being security deposits and others are also due from several counter parties and based on historical information about defaults from the counter parties, management considers the quality of such assets that are not past due to be good.

Impairment on cash and cash equivalents, deposits and other financial instruments has been measured on the 12-month expected credit loss basis and reflects the short maturities of the exposures. The group considers that its cash and cash equivalents have low credit risk based on external credit ratings of counterparties.

Based on the assessment there is no impairment in the above financial assets other than already provided in the consolidated financial statement.

2) Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. For the group, liquidity risk arises from obligations on account of financial liabilities - lease liabilities, trade payables and other financial liabilities.

The group continues to maintain adequate amount of liquidity to meet strategic and growth objectives. The group's finance department is responsible for liquidity and fund management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the group's liquidity position through forecasts on the basis of expected cash flows.

Maturity profile of financial liabilities

The table below summarises the maturity profile of the group financial liabilities are as under:

Particulars	Carrying amount	Less than 1 year	1-5 years	'More than 5 years	Total
As at March 31, 2026					
Borrowings	9,607.28	3,547.11	6,079.54	0.39	9,627.04
Lease liabilities	202.55	77.96	213.19	-	291.15
Trade payables	17,919.26	17,919.26	-	-	17,919.26
Other financial liabilities	957.80	952.78	5.03	-	957.80

As at March 31, 2025

Borrowings	1,606.99	1,365.24	241.75	-	1,606.99
Lease liabilities	8.44	4.72	4.83	-	9.55
Trade payables	10,150.25	10,150.25	-	-	10,150.25
Other financial liabilities	608.12	606.32	1.80	-	608.12

Maturity profile of financial assets

The table below provides details regarding the undiscounted contractual maturities of finance lease receivables:

Particulars	Due in 1st year	Due in 2nd years	Due in 3rd to 5th years	More than 5 years	Total
As at March 31, 2026					
Total undiscounted lease receivables	606.72	606.72	1,820.17	4,430.88	7,464.49
Unearned finance income	414.78	395.21	916.30	1,108.71	2,835.00
Net Investment in lease	191.94	211.52	903.87	3,322.17	4,629.49

As at March 31, 2025

Total undiscounted lease receivables	-	-	-	-	-
Unearned finance income	-	-	-	-	-
Net Investment in lease	-	-	-	-	-

Finance lease receivable outstanding as on March 31, 2026 is from Maharashtra State Electricity Distribution Company Limited, which is considered recoverable and not credit impaired.

The following amounts are recognised in the statement of profit and loss :

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from finance leases (refer note 32)	5,578.30	-
Finance income on the net investment in finance leases	36.83	-

The following amounts are included in the balance sheet :

Particulars	As at March 31, 2026	As at March 31, 2025
Current finance lease receivable (refer note 9)	253.42	-
Non-current finance lease receivables (refer note 9)	5,315.04	-
Total lease receivables	5,568.47	-



Pace Digitek Limited

(Formerly known as Pace Digitek Private Limited and Pace Digitek Infra Private Limited)

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Notes forming part of the consolidated financial statements for the year ended March 31, 2026

(Amounts are ₹ in million unless otherwise stated)

3) Market risk

Market risk is the risk that changes in the market prices such as foreign currency risk, interest risk, equity price and commodity prices. The market risk will affect the group's income or value of its holding of financial instruments. The objective of the market risk management is to manage and control market risk exposure within

(a) Commodity price risks

Fluctuation in commodity price in market affects directly or indirectly the price of raw material and components used by the Group. The Group is a regular negotiation / adjustment of sale prices on the basis of changes in commodity prices. The Group is not significantly impacted by commodity price risk.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's main interest rate risk arises from long-term borrowings with floating interest rates. The Group optimises the interest rate risk by regularly monitoring the interest rate in the best interest of the Group. The Group has following fixed rate and floating interest rate long term borrowing:

Particulars	As at March 31, 2026	As at March 31, 2025
Floating interest rate borrowings	245.04	982.04
Fixed rate borrowings	67.20	39.26
Total	312.24	1,021.30

(c) Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Impact on profit before tax equity	
	As at March 31, 2026	As at March 31, 2025
Increase by 50 basis point	(1.23)	(4.91)
Decrease by 50 basis point	1.23	4.91

The assumed movement in basis points and interest rate sensitivity is based on currently observable market environment.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in exchange rates. The group exposure to the risk of changes in exchange rates relates primarily to the group operations in foreign subsidiaries.

The group is exposed to foreign currency risks arising from various currency exposures, primarily with respect to the payables. Foreign currency risks arise from future commercial transactions and recognized assets and liabilities, when they are denominated in a currency other than Indian Rupee.

The following table sets forth information relating to foreign currency exposure (other than risk arising from derivatives) contract as at:

Change in assumption	As at March 31, 2026	As at March 31, 2025
(a) Financial liabilities	991.01	55.19

The table below outlines the effect change in foreign currencies exposure for the year ended:

Change in assumption	As at March 31, 2026		As at March 31, 2025	
	Impact on group's net income before tax for financial assets	Impact on group's net income before tax for financial liabilities	Impact on group's net income before tax for financial assets	Impact on group's net income before tax for financial liabilities
Appreciation in foreign currencies by 10%	-	99.10	0.04	0.23
Depreciation in foreign currencies by 10%	-	(99.10)	(0.04)	(0.23)

(Note: The impact is indicated on the income/loss before tax basis).



Pace Digitek Limited**(Formerly known as Pace Digitek Private Limited and Pace Digitek Infra Private Limited)****CIN: L31909KA2007PLC041949****Notes forming part of the consolidated financial statements for the year ended March 31, 2026****(Amounts are ₹ in million unless otherwise stated)****48 Capital management**

For the purposes of Group's capital management, Capital includes issued equity share capital, securities premium and all other equity reserves attributable to the equity holders of the Parent Company. The primary objective of the Group's capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Parent Company may adjust the dividend payment to shareholders or issue new shares. The Group monitors capital using capital gearing ratio which is net debt divided by total capital plus net debt.

Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

Consistent with others in the industry, the Group monitors capital on the basis of the following gearing ratio:

- net debt (total borrowings and lease liabilities net of cash and cash equivalents)
- divided by total 'equity' (as shown in the balance sheet)
- there have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

Particulars	As at March 31, 2026	As at March 31, 2025
Borrowings (Non current)	6,067.16	241.75
Borrowings (Current)	3,540.12	1,365.24
Lease liability (Non current)	198.20	4.52
Lease liability (Current)	4.35	3.92
Less: Cash and cash equivalents including bank balances	(2,699.72)	(783.54)
Net debt	7,110.11	831.89
Equity attributable to owners of the holding Company	22,072.98	11,698.95
Total Capital	22,072.98	11,698.95
Capital and net debt	29,183.09	12,530.84
Gearing ratio (Net debt/capital and Net debt)	24.36%	6.64%

Note:

In order to achieve the overall objective, the Group's capital management, amongst the other things, aim is to ensure that it meets the financial covenant attached to interest bearing loan and borrowing that define the capital structure requirement. There have been no breaches in the financial covenant of any interest bearing loan and borrowing in the current and previous years.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2026 and March 31, 2025.



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49 Segment Information**i) Basis of Identifying operating segments:**

Operating segments are identified as those components of the Group

- (a) that engage in business activities to earn revenues and incur expenses (including transactions with any of the Group's other components;
- (b) whose operating results are regularly reviewed by the Board of Directors to make decisions about resource allocation and performance assessment and
- (c) for which discrete financial information is available.

The Group has three reporting segment:

- (a) Telecom
- (b) Energy
- (c) Others consist of various services and projects

ii) Information about reporting segment:

Segment information is provided to and reviewed by Chief Operating Decision Maker (CODM). The revenues, total expenses and profit as per the statement of profit and loss

For the year ended March 31, 2025

Particulars	Energy	Telecom	Other	Unallocated	Total Segment	For the year ended March 31, 2025
Revenue						
External customer	1,363.47	22,978.56	44.99	0.78	24,387.80	24,387.80
Inter segments	-	-	-	-	-	-
Total revenue	1,363.47	22,978.56	44.99	0.78	24,387.80	24,387.80
Expenses						
(a) Cost of materials consumed	1,236.70	15,970.79	27.57	-	17,235.06	17,235.06
(b) Employee benefits expense	7.90	648.52	9.60	1.10	667.13	667.13
(c) Other expenses	48.38	1,332.16	2.03	285.97	1,668.54	1,668.54
Total expenses	1,292.98	17,951.47	39.21	287.06	19,570.73	19,570.73
Segment results	70.49	5,027.09	5.78	(286.29)	4,817.07	4,817.07
(d) Others income	-	-	-	234.22	234.22	234.22
(e) Finance costs	-	-	-	(1,151.50)	(1,151.50)	(1,151.50)
(f) Depreciation and amortisation expense	-	-	-	(60.49)	(60.49)	(60.48)
(g) Unallocable expenses	-	-	-	-	-	-
Profit before tax	70.49	5,027.09	5.78	1,159.93	3,839.30	3,839.30
Tax expense						
(1) Current tax				1,146.33	1,146.33	1,146.33
(2) Deferred tax				(171.54)	(171.54)	(171.54)
(3) Income tax of earlier years				73.48	73.48	73.48
Total tax expense (D)				1,048.27	1,048.27	1,048.27
Profit after tax (E)=(C-D)				111.66	2,791.04	2,791.03



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For the year ended March 31, 2026

Particulars	Energy	Telecom	Other	Unallocated	Total Segment	For the year ended March 31, 2026
Revenue						
External customer	11,950.17	14,395.90	66.63	-	26,412.70	26,412.70
Inter segments	-	-	-	-	-	-
Total revenue	11,950.17	14,395.90	66.63	-	26,412.70	26,412.70
Expenses						
(a) Cost of materials consumed	9,594.70	10,003.50	64.95	-	19,663.14	19,663.14
(b) Employee benefits expense	258.14	701.90	-	-	960.03	960.03
(c) Other expenses	456.96	120.02	-	-	576.98	576.98
Total expenses	10,309.79	10,825.41	64.95	-	21,200.15	21,200.15
Segment results	1,640.38	3,570.48	1.69	-	5,212.55	5,212.55
(d) Others income	-	-	-	461.07	461.07	461.07
(e) Finance costs	-	-	-	(598.23)	(598.23)	(598.23)
(f) Depreciation and amortisation expense	-	-	-	(120.04)	(120.04)	(120.04)
(g) Unallocable expenses	-	-	-	(660.05)	(660.05)	(660.05)
Profit before tax	1,640.38	3,570.48	1.69	(917.25)	4,295.30	4,295.29
Tax expense						
(1) Current tax				1,125.18	1,125.18	1,125.18
(2) Deferred tax				90.32	90.32	90.32
(3) Income tax of earlier years				7.15	7.15	7.15
Total tax expense (D)				1,222.65	1,222.65	1,222.65
Profit after tax (E)=(C-D)				(2,139.91)	3,072.65	3,072.64

(b) Other segment informations

Particulars	Energy	Telecom	Other	Unallocated	Total
As at March 31, 2025					
Segment assets	1,670.62	18,135.73	122.35	6,560.87	26,489.56
Segment liabilities	128.05	1,166.44	-	13,105.05	14,399.53
As at March 31, 2026					
Segment assets	19,669.56	22,054.01	97.72	11,320.82	53,142.11
Segment liabilities	13,829.39	12,240.96	-	4,549.48	30,619.84

(c) All assets and revenue of the Group are within India.

(d) Further, from two external customers the Group has revenue of Rs.15,257.35 million (March 31, 2025: One external customer with revenue of Rs. 20,627.35 million) more than 10% of the total revenue from operations.



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50 Additional regulatory information required by Schedule III of Companies Act, 2013

(a) Details of benami property held

The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(b) Relationship with struck off companies

The Group has not entered into any transactions with struck off companies during the year ended March 31, 2026 and March 31, 2025.

(c) Details of crypto currency or virtual currency

The Group has not traded or invested in Crypto currency or Virtual Currency during the year ended March 31, 2026 and March 31, 2025.

(d) Details of transaction disclosed under Income Tax

The Group has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

(e) Charges or satisfaction

The Group does not have any charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(f) Details of advanced or loaned or invested funds

The Group has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (ultimate beneficiaries); or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(g) Details of fund received

The Group has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) 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

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(h) Willful defaulter

The Group is not a willful defaulter of any loan or other borrowing from any lender.

(i) Compliance with number of layers of companies

The Group has complied with the number of layers of companies prescribed under the Companies Act, 2013.

(j) Compliance with approved scheme(s) of arrangements

The Group has not entered into any scheme of arrangement which has an accounting impact in the year ended March 31, 2026 and March 31, 2025.

(k) Revaluation

The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the year ended March 31, 2026, and March 31, 2025.

(l) Borrowing secured against assets

The Group has borrowings from banks and financial institutions on the basis of security of current assets.

(m) Purpose of borrowings

The borrowings obtained by the Group from banks and financial institutions have been applied for the purposes for which such loans were taken and the Group has not used funds raised on short term basis for long term purpose.



51 Additional information pursuant to Division II of Schedule III to the Companies Act, 2013 'General instructions, of enterprises consolidated as subsidiaries for the preparation of consolidated financial information.

a) (i) As of March 31, 2026

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit/ (loss)		Share in OCI		Share in total comprehensive income	
	% of consolidated net assets	Amount	% of consolidated profit/ (loss)	Amount	% of consolidated OCI	Amount	% of consolidated total other comprehensive income	Amount
Holding Company:								
Pace Digitek Limited (Formerly known as Pace Digitek Private Limited and Pace Digitek Infra Private Limited)	89.27%	19,704.62	82.85%	2,465.22	(133.23%)	2.14	82.96%	2,467.36
Domestic subsidiaries:								
Pace Renewable Energies Private Limited	11.59%	2,557.80	5.77%	171.55	3.85%	-0.06	5.76%	171.44
Lineage Power Private Limited	9.98%	2,203.62	16.20%	482.06	348.97%	(5.60)	16.02%	476.41
AP Digital Infra Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Inso Pace Private Limited	0.00%	0.23	(0.02%)	(0.64)	0.00%	-	(0.02%)	(0.64)
Transgreenx Energy Private Limited	0.00%	0.05	(0.00%)	(0.05)	-	-	0.00%	-
Lineage Defence and Aerospace Private Limited	0.00%	0.05	(0.00%)	(0.05)	-	-	0.00%	-
Pace Ecoplanet Renewable Energy Private Limited	0.00%	0.05	(0.00%)	(0.05)	-	-	0.00%	-
Foreign subsidiaries:								
Lineage Power Holdings (Singapore) Pte. Ltd.	(0.01%)	-1.77	(0.06%)	(1.78)	19.07%	(0.31)	(0.07%)	(2.09)
Lineage Power (Myanmar) Limited	0.08%	17.12	(0.00%)	-0.00	(69.17%)	1.11	0.04%	1.11
Non controlling interest								
Non controlling interest in subsidiaries	(2.04%)	(449.28)	(3.26%)	(96.96)	(70.74%)	1.13	(3.22%)	(95.82)
Sub total	108.88%	24,032.49	101.47%	3,019.30	98.75%	-1.58	101.47%	3,017.72
Less: Intercompany elimination and consolidation adjustments	(8.88%)	(1,959.50)	(1.47%)	(43.62)	1.25%	(0.02)	(1.47%)	(43.64)
Total	100.00%	22,072.98	100.00%	2,975.68	100.00%	-1.60	100.00%	2,974.08

(i) As of March 31, 2025

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit/ (loss)		Share in OCI		Share in total comprehensive income	
	% of consolidated net assets	Amount	% of consolidated profit/ (loss)	Amount	% of consolidated OCI	Amount	% of consolidated total other comprehensive income	Amount
Holding Company:								
Pace Digitek Limited (Formerly known as Pace Digitek Private Limited and Pace Digitek Infra Private Limited)	84.06%	9,834.65	87.19%	2,333.23	63.55%	0.47	87.18%	2,333.70
Domestic subsidiaries:								
Pace Renewable Energies Private Limited	5.44%	636.30	(5.43%)	(145.31)	0.00%	-	(5.43%)	(145.31)
Lineage Power Private Limited	14.76%	1,727.15	22.50%	602.16	(44.21%)	(0.32)	22.48%	601.84
AP Digital Infra Private Limited	(0.00%)	(0.44)	0.48%	12.85	0.00%	-	0.48%	12.85
Inso Pace Private Limited	0.01%	0.87	0.11%	2.89	0.00%	-	0.11%	2.89
Foreign subsidiaries:								
Lineage Power Holdings (Singapore) Pte. Ltd.	0.00%	0.32	(0.02%)	(0.63)	(12.38%)	(0.09)	(0.03%)	(0.72)
Lineage Power (Myanmar) Limited	0.15%	17.12	0.07%	1.78	84.09%	0.62	0.09%	2.40
Non controlling interest								
Non controlling interest in subsidiaries	(3.34%)	(391.07)	(4.30%)	(114.94)	8.96%	0.07	(4.29%)	(114.88)
Sub total	101.08%	11,824.91	100.60%	2,692.13	100.00%	0.74	100.60%	2,692.88
Less: Intercompany elimination and consolidation adjustments	(1.08%)	(125.96)	(0.60%)	(16.06)	0.00%	-	(0.60%)	(16.06)
Total	100.00%	11,698.95	100.00%	2,676.08	100.00%	0.74	100.00%	2,676.81

b) Information on Subsidiaries

Group information

The consolidated financial statements of the Group includes the following subsidiaries :

Name of Company	Country of Incorporation	Ownership interest held by Group		Non controlling interests		Reporting date used for as at consolidation
		As at March 31,2026	As at March 31,2025	As at March 31,2026	As at March 31,2025	
Domestic subsidiaries:						
Pace Renewable Energies Private Limited	India	99.99%	93.87%	0.01%	6.13%	March 31,2026
Lineage Power Private Limited	India	79.73%	79.73%	20.27%	20.27%	March 31,2026
AP Digital Infra Private Limited*	India	0.00%	97.97%	NA	2.03%	NA
Inso Pace Private Limited	India	51.00%	51.00%	49.00%	49.00%	March 31,2026
Transgreenx Energy Private Limited	India	99.99%	0.00%	0.01%	100.00%	March 31,2026
Lineage Defence and Aerospace Private Limited	India	99.99%	0.00%	0.01%	100.00%	March 31,2026
Pace Ecoplanet Renewable Energy Private Limited	India	99.99%	0.00%	0.01%	100.00%	March 31,2026
Foreign subsidiaries:						
Lineage Power Holdings (Singapore) Pte. Ltd.	Singapore	99.99%	99.99%	0.01%	0.01%	March 31,2026
Lineage Power (Myanmar) Limited	Myanmar	95.00%	95.00%	5.00%	5.00%	March 31,2026

* During the year, AP Digital infra Private Limited, a subsidiary, was struck off from the Register of Companies pursuant to the provisions of the Companies Act, 2013. Consequently, the Holding Company ceased to hold its investment in the Company.



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- 52 In pursuant to borrowing taken by the Holding Company and one of the subsidiary Company "Lineage Power Private Limited" from banks on security of current assets, the Holding and Subsidiary Company are required to submit the information periodically which includes the stock statement, revenue, trade receivable and trade payable etc. During the current year and previous year, the Holding and Subsidiary Company has submitted the following financial information to all banks, from whom working capital demand loan has been taken, on quarterly basis which in some of these cases is not reconciled with books as follows:

In the books of Holding Company

Year ended March 31, 2026

Quarter ending	Particulars of securities provided	Amount as per books of account (Rs. In million)	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
June 30,2025	Inventory	611.37	613.20	(1.83)	The difference is mainly due to reporting to banks are prior to quarterly closure of books
September 30,2025	Inventory	777.29	777.30	(0.01)	The difference is mainly due to reporting to banks are prior to quarterly closure of books
December 31,2025	Inventory	541.71	541.70	0.01	The difference is mainly due to reporting to banks are prior to quarterly closure of books
March 31,2026	Inventory	724.56	724.60	(0.04)	The difference is mainly due to reporting to banks are prior to quarterly closure of books
June 30,2025	Trade receivables	18,302.45	17,071.70	1,230.75	The difference is mainly due to reporting to banks are prior to quarterly closure of books
September 30,2025	Trade receivables	15,866.22	15,866.20	0.02	The difference is mainly due to reporting to banks are prior to quarterly closure of books
December 31,2025	Trade receivables	22,480.63	22,480.60	0.03	The difference is mainly due to reporting to banks are prior to quarterly closure of books
March 31,2026	Trade receivables	15,996.09	15,996.10	(0.01)	The difference is mainly due to reporting to banks are prior to quarterly closure of books
June 30,2025	Trade Payable	10,847.10	5,694.30	5,152.80	The difference is mainly due to reporting to banks are prior to quarterly closure of books
September 30,2025	Trade Payable	11,655.67	11,655.70	(0.03)	The difference is mainly due to reporting to banks are prior to quarterly closure of books
December 31,2025	Trade Payable	12,061.05	12,061.10	(0.05)	The difference is mainly due to reporting to banks are prior to quarterly closure of books
March 31,2026	Trade Payable	13,141.84	13,141.80	0.04	The difference is mainly due to reporting to banks are prior to quarterly closure of books
June 30,2025	Revenue	3,396.65	2,225.90	1,170.75	The difference is mainly due to reporting to banks are prior to quarterly closure of books
September 30,2025	Revenue	3,421.11	4,591.80	(1,170.69)	The difference is mainly due to reporting to banks are prior to quarterly closure of books
December 31,2025	Revenue	5,419.95	5,419.90	0.05	The difference is mainly due to reporting to banks are prior to quarterly closure of books
March 31,2026	Revenue	4,870.36	4,870.40	(0.04)	The difference is mainly due to reporting to banks are prior to quarterly closure of books

Year ended March 31, 2025

Quarter ending	Particulars of securities provided	Amount as per books of account (Rs. In million)	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
June 30,2024	Inventory	1,446.09	1,432.00	14.09	The difference is mainly due to reporting to banks are prior to quarterly closure of books
September 30,2024	Inventory	1,421.60	1,421.60	-	NA
December 31,2024	Inventory	1,354.26	1,161.40	192.86	The difference is mainly due to reporting to banks are prior to quarterly closure of books
March 31,2025	Inventory	440.29	1,155.30	(715.01)	The difference is mainly due to reporting to banks are prior to quarterly closure of books
June 30,2024	Trade receivables	8,948.79	9,823.70	(874.91)	The difference is mainly due to reporting to banks are prior to quarterly closure of books
September 30,2024	Trade receivables	13,470.86	13,791.20	(320.34)	The difference is mainly due to reporting to banks are prior to quarterly closure of books
December 31,2024	Trade receivables	14,191.35	14,375.70	(184.35)	The difference is mainly due to reporting to banks are prior to quarterly closure of books
March 31,2025	Trade receivables	11,494.70	9,469.10	2,025.60	The difference is mainly due to reporting to banks are prior to quarterly closure of books
June 30,2024	Trade Payable	7,998.51	6,325.10	1,673.41	The difference is mainly due to reporting to banks are prior to quarterly closure of books
September 30,2024	Trade Payable	8,886.72	7,758.60	1,128.12	The difference is mainly due to reporting to banks are prior to quarterly closure of books
December 31,2024	Trade Payable	5,954.97	4,885.80	1,069.17	The difference is mainly due to reporting to banks are prior to quarterly closure of books
March 31,2025	Trade Payable	10,370.03	10,580.40	(210.37)	The difference is mainly due to reporting to banks are prior to quarterly closure of books
June 30,2024	Revenue	3,297.36	4,047.80	(750.44)	The difference is mainly due to reporting to banks are prior to quarterly closure of books
September 30,2024	Revenue	7,412.62	7,412.80	(0.18)	The difference is mainly due to reporting to banks are prior to quarterly closure of books
December 31,2024	Revenue	4,133.50	4,134.60	18.99	The difference is mainly due to reporting to banks are prior to quarterly closure of books
March 31,2025	Revenue	7,246.21	7,125.00	121.21	The difference is mainly due to reporting to banks are prior to quarterly closure of books



In the books of Subsidiary Company " Lineage Power Private Limited"

Year ended March 31, 2026

Quarter ending	Particulars of securities provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
June 30,2025	Inventory	974.88	811.00	163.88	The difference is mainly due to reporting to banks are prior to quarterly closure of books
September 30,2025	Inventory	1,057.76	1,057.70	0.06	The difference is mainly due to reporting to banks are prior to quarterly closure of books
December 31,2025	Inventory	1,723.61	1,723.61	0.00	The difference is mainly due to reporting to banks are prior to quarterly closure of books
March 31,2026	Inventory	2,088.51	2,088.46	0.04	The difference is mainly due to reporting to banks are prior to quarterly closure of books
June 30,2025	Trade receivables	2,637.84	2,692.80	(54.96)	The difference is mainly due to reporting to banks are prior to quarterly closure of books
September 30,2025	Trade receivables	2,829.63	2,829.60	0.03	The difference is mainly due to reporting to banks are prior to quarterly closure of books
December 31,2025	Trade receivables	1,943.05	1,943.10	(0.05)	The difference is mainly due to reporting to banks are prior to quarterly closure of books
March 31,2026	Trade receivables	5,376.45	5,376.50	(0.05)	The difference is mainly due to reporting to banks are prior to quarterly closure of books
June 30,2025	Trade payable	1,439.40	1,119.00	320.40	The difference is mainly due to reporting to banks are prior to quarterly closure of books
September 30,2025	Trade payable	1,782.32	1,782.30	0.02	The difference is mainly due to reporting to banks are prior to quarterly closure of books
December 31,2025	Trade payable	2,126.45	2,126.50	(0.05)	The difference is mainly due to reporting to banks are prior to quarterly closure of books
March 31,2026	Trade payable	3,718.53	3,718.50	0.03	The difference is mainly due to reporting to banks are prior to quarterly closure of books
June 30,2025	Revenue	481.37	598.40	(117.03)	The difference is mainly due to reporting to banks are prior to quarterly closure of books
September 30,2025	Revenue	2,543.52	2,426.50	117.02	The difference is mainly due to reporting to banks are prior to quarterly closure of books
December 31,2025	Revenue	2,633.49	2,633.49	(0.00)	The difference is mainly due to reporting to banks are prior to quarterly closure of books
March 31,2026	Revenue	4,977.61	4,977.60	0.01	The difference is mainly due to reporting to banks are prior to quarterly closure of books

Year ended March 31, 2025

Quarter ending	Particulars of securities provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
June 30,2024	Inventory	1,645.61	965.20	680.41	The difference is mainly due to reporting to banks are prior to quarterly closure of books
September 30,2024	Inventory	706.03	706.00	0.03	The difference is mainly due to reporting to banks are prior to quarterly closure of books
December 31,2024	Inventory	805.34	805.30	0.04	The difference is mainly due to reporting to banks are prior to quarterly closure of books
March 31,2025	Inventory	678.09	692.60	(14.51)	The difference is mainly due to reporting to banks are prior to quarterly closure of books
June 30,2024	Trade receivables	6,095.30	7,207.20	(1,111.90)	The difference is mainly due to reporting to banks are prior to quarterly closure of books
September 30,2024	Trade receivables	4,428.02	4,428.00	0.02	The difference is mainly due to reporting to banks are prior to quarterly closure of books
December 31,2024	Trade receivables	3,942.60	3,942.60	(0.00)	The difference is mainly due to reporting to banks are prior to quarterly closure of books
March 31,2025	Trade receivables	3,308.86	3,263.60	45.26	The difference is mainly due to reporting to banks are prior to quarterly closure of books
June 30,2024	Trade payable	5,475.98	5,475.20	0.78	The difference is mainly due to reporting to banks are prior to quarterly closure of books
September 30,2024	Trade payable	2,560.32	2,522.30	38.02	The difference is mainly due to reporting to banks are prior to quarterly closure of books
December 31,2024	Trade payable	1,949.55	1,949.50	0.05	The difference is mainly due to reporting to banks are prior to quarterly closure of books
March 31,2025	Trade payable	1,879.02	1,879.10	(0.08)	The difference is mainly due to reporting to banks are prior to quarterly closure of books
June 30,2024	Revenue	1,932.72	1,933.90	(1.18)	The difference is mainly due to reporting to banks are prior to quarterly closure of books
September 30,2024	Revenue	2,743.44	3,561.40	(817.96)	The difference is mainly due to reporting to banks are prior to quarterly closure of books
December 31,2024	Revenue	702.47	705.60	(3.13)	The difference is mainly due to reporting to banks are prior to quarterly closure of books
March 31,2025	Revenue	983.89	947.00	36.89	The difference is mainly due to reporting to banks are prior to quarterly closure of books



Pace Digitek Limited

(Formerly known as Pace Digitek Private Limited and Pace Digitek Infra Private Limited)

CIN: L31909KA2007PLC041949

Notes forming part of the consolidated financial statements for the year ended March 31, 2026

(Amounts are ₹ in million unless otherwise stated)

53 Contingent liabilities, contingent assets and litigations, corporate guarantees and capital commitments**a) Letter of credit**

Particulars	As at March 31, 2026	As at March 31, 2025
Outstanding letter of credit	679.19	801.79
Total	679.19	801.79

b) Contingent liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Claims against the group not acknowledged as debts:		
Direct tax matters	93.76	93.76
Indirect tax matters	536.64	460.84
Civil cases	18.37	-
Total	648.77	554.60

The Group pending litigations comprise of claims against the proceedings pending with various direct tax, indirect tax. The Management has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required or disclosed as contingent liabilities where applicable, in its consolidated financial statements. The Management does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

54 Material regrouping/reclassification

Appropriate regrouping/reclassification have been made in the consolidated balance sheet, statement of cash flows wherever required, by reclassification of the corresponding items of assets and cash flows, in order to bring them in line with the accounting policies and classification as per the financial statements of the Company prepared in accordance with Schedule III (Division II) of the Act, requirements of Ind AS 1 - 'Presentation of financial statements' and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended. The material regrouping has been disclosed as under.

Particulars	Head	Regrouping March 31, 2025
Assets	Trade receivables - current	(5,721.37)
		2,946.05
Assets	Trade receivables - Non current	
Assets	Other financial assets - current	2,358.60
Assets	Other financial assets - Non current	416.72

The above reclassifications have been made in the previous year, wherever necessary, to conform to the current year classification/disclosure and do not have any impact on the profit, hence, there is no change in the basic and diluted earnings per share of the previous years due to these re-groupings. These reclassifications do not have any impact on the other equity at the beginning of March 31, 2025.

- 55** During the current year, the Holding Company issued 3,74,09,047 equity shares of Rs.2 each pursuant to an Initial Public Offer (IPO), aggregating to Rs.8,191.48 (including securities premium), comprising fresh issue of 55,080 shares issued to employees at Rs.199 per share (including share premium of Rs.197 per share) and 3,73,53,967 shares issued to other investors at Rs.219 per share (including share premium of Rs.217 per share) respectively. The equity shares of the Company were listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') on October 06, 2025.

The details of utilisation of IPO proceeds are as follows:

Object of the issue as per prospectus	Amount to be utilized as per prospectus (net proceeds)	Utilized amount upto March 31, 2026	Unutilized amount upto March 31, 2026
Funding Capital Expenditure requirements for investment in the Subsidiary of the Company i.e., Pace Renewable Energies Private Limited, for setting up battery energy storage systems for a project awarded by the Maharashtra State Electricity Distribution Company Limited (Capital Expenditure)	6,300.00	4,172.72	2,127.28
General Corporate Purpose	1,158.34	1,149.11	9.23
Share issue expenses	733.14	712.42	20.72
Total	8,191.48	6,034.25	2,157.23

The unutilized amounts are lying in bank account of Rs. 2,156.72 million that includes the fund lying in the bank account of Rs. 727.75 million of subsidiary Company i.e Pace Renewable Energies Private Limited.

The above proceeds from the Initial Public Offer (IPO) and private placement were raised to meet the Company's working capital requirements, long-term financial requirements for Cap-expenditure and general corporate purposes.



56 Data backup

The books of account along with other relevant records and papers of the Holding Company and its subsidiaries, which are companies incorporated in India, are maintained in electronic mode. These are readily accessible in India at all times and a back-up is maintained in servers situated in India and the Company and its officers have full access to the data in the servers.

57 Audit trail

The Holding Company and its subsidiary companies incorporated in India have used accounting software for maintaining its books of accounts for the financial year ended March 31, 2026 which have a feature of recording audit trail (edit log) facility except audit trail functionality at the database level due to inherent limitations of the software and the same has operated throughout the year for all relevant transactions recorded in the accounting software systems.

58 Subsequent event

The Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to the issuance of the consolidated financial statements to determine the necessity for recognition and/or reporting of any such events and transactions in the consolidated financial statements.

As of May 25, 2026 there were no subsequent events to be recognized or reported in these consolidated financial statements.

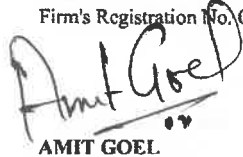
Material accounting policies

Accompanying notes form an integral part of the consolidated financial information

As per our report of even date

For S S Kothari Mehta & Co. LLP

Chartered Accountants
Firm's Registration No. 000756N/N500441


AMIT GOEL

Partner
Membership No. 500607
Place: Bangalore
Date: May 25, 2026



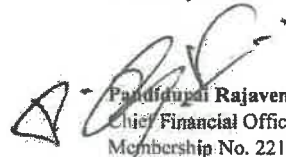
For and on behalf of the Board

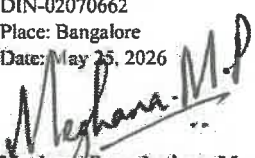
Pace Digitek Limited

(Formerly known as Pace Digitek Private Limited and Pace Digitek Infra Private Limited)


Venugopalrao Maddisetty
Managing Director
DIN-02070491
Place: Bangalore
Date: May 25, 2026


Maddisetty Padma
Whole-Time-Director
DIN-02070662
Place: Bangalore
Date: May 25, 2026


Panduranga Rajavendhan
Chief Financial Officer
Membership No. 221057
Place: Bangalore
Date: May 25, 2026


Meghan Purushotham Manchaiah
Company Secretary
Membership No. A42534
Place: Bangalore
Date: May 25, 2026



Pace Digitek Limited

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Notes and other explanatory information to consolidated financial information

(Amounts are ₹ in million unless otherwise stated)

1. Corporate information

Pace Digitek Limited (Formerly known as Pace Digitek Private Limited and Pace Digitek Infra Private Limited) ("the Company" or "Holding Company") is a public company domiciled in India and was incorporated on March 1, 2007 under the erstwhile Companies Act, 1956 with its registered office in Bengaluru, Karnataka. The Group ("the holding company and its subsidiaries are collectively referred to as "the group") is primarily engaged in the business of Infra Power Management, Green Energy and Telecom, Solar Energy Solutions, Hybrid Solutions and Remote Monitoring Solutions, related operation and maintenance and product services infrastructure such as Urban Infrastructure, Power and Power Transmission.

The Holding Company has been converted from Private Limited Company to Public Limited Company, pursuant to a special resolution passed in the board meeting of the Holding Company held on October 16, 2024 and consequently the name of the Company has been changed to Pace Digitek Limited pursuant to a fresh certificate of incorporation issued by the Registrar of Companies on November 19, 2024.

The Holding Company has completed its Initial Public Offer (IPO) during the year and accordingly the Company is listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on October 06, 2025.

1.1. Basis of preparation and measurement

The consolidated financial statements of the group are prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statements.

Accordingly, the Group has prepared these Consolidated financial statements which comprise the Consolidated Balance Sheet as at March 31, 2026, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended as on that date, and Consolidated accounting policies and other explanatory information (together hereinafter referred to as "Consolidated financial statements" or "financial statements").

The Company's consolidated financial statements were approved for issue in accordance with a resolution of the directors on May 25, 2026.

1.3 Basis of consolidation

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (ii) Exposure, or rights, to variable returns from its involvement with the investee, and
- (iii) The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) The contractual arrangement with the other vote holders of the investee
- (ii) Rights arising from other contractual arrangements
- (iii) The Group's voting rights and potential voting rights
- (iv) The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders



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Notes and other explanatory information to consolidated financial information

(Amounts are ₹ in million unless otherwise stated)

The Group re-assesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial information from the date the Group gains control until the date the Group ceases to control the subsidiary.

The consolidated financial information are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial information for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial information to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company, i.e., year ended on March 31. When the end of the reporting period of the Holding Company is different from that of a other group companies, the other group companies prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Holding Company to enable the Holding to consolidate the financial information of the group companies, unless it is impracticable to do so.

1.4 Consolidation procedure:

(A) Subsidiaries

1. The consolidated financial statements of the Group combine financial statements of the Holding Company and its subsidiaries including step-down subsidiary line-by-line by adding together the like items of assets, liabilities, income and expenses. All intra-group assets, liabilities, income, expenses and unrealised profits/losses on intra-group transactions are eliminated on consolidation.

Profit or loss and other comprehensive income are attributed to the owners of the Holding Company and to the non-controlling interests, shown separately in the consolidated financial statements.

2. Offset (eliminate) the carrying amount of the holding's investment in each subsidiary and the holding's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
3. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Holding Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in ownership interests



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Notes and other explanatory information to consolidated financial information

(Amounts are ₹ in million unless otherwise stated)

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

Business combinations and goodwill

"Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the noncontrolling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received, with the exception of the costs of issuing debt or equity securities that are recognised in accordance with Ind AS 32 and Ind AS 109.

1.2 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non- current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle - Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current. Deferred tax assets and deferred tax liabilities are classified as non- current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

2. Material accounting policies

The material accounting policies applied by the Group in the preparation of its consolidated financial information are listed below. Such accounting policies have been applied consistently to all the periods presented in these consolidated financial information, unless otherwise stated.



Pace Digitek Limited**(Formerly known as Pace Digitek Private Limited and Pace Digitek Infra Private Limited)****CIN: L31909KA2007PLC041949**

Notes and other explanatory information to consolidated financial information

*(Amounts are ₹ in million unless otherwise stated)***2.1 Property, plant and equipment**

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses if any. Freehold land is not depreciated.

All other items of property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of input tax credit availed wherever applicable.

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. 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. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Capital work-in-progress includes cost of property, plant and equipment under installation/ under development as at the balance sheet date. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation is calculated on a written down value basis over the estimated useful life of the assets which is in line with the useful life prescribed under Part C of Schedule II of the Companies Act, 2013. The useful life of the assets are given below:

Particular	Useful life
Building	60 years
Plant & machinery	15 years
Computer	3-6 years
Motor vehicles	8 years
Furniture and fixtures	10 years
Office equipment	5 years

2.2 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

All other repair and maintenance costs are recognised in profit or loss as incurred. Though the Group measures investment property using cost-based measurement, the fair value of investment property is disclosed in notes. Fair values are determined



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based on an annual evaluation performed by an accredited external independent valuer. Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Transfers are made to (or from) investment properties only when there is a change in use. Transfer between investment property and owner-occupied property do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purpose.

2.3 Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Cost of intangible assets acquired in business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development cost, are not capitalised and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible asset arising from a service concession arrangement refer section 2.23 Service Concession arrangements.

Intangible assets are amortised on a straight-line basis over their estimated useful life as under:

Assets	Useful life
Software (Bought out)	3 years
Right of infrastructure development	25 years

2.4 Impairment of non-financial assets

As at the end of each financial year, the carrying amounts of PPE, investment property and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, investment property and intangible assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and intangible assets not available for use are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

- (i) in the case of an individual asset, at the higher of fair value less costs of disposal and the value-in-use; and
- (ii) in the case of a cash generating unit (the smallest identifiable group of assets that generates independent cash flows), at the higher of the cash generating unit's fair value less costs of disposal and the value-in-use.

(The amount of value-in-use is determined as the present value of estimated future cash flows from the continuing use of an asset, which may vary based on the future performance of the entity and from its disposal at the end of its useful life. For this purpose, the discount rate (post-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset).



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If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

When an impairment loss recognised earlier is subject to full or partial reversal, the carrying amount of the asset (or cash generating unit), except impairment loss allocated to goodwill, is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss (other than impairment loss allocated to goodwill) is recognised immediately in the Statement of Profit and Loss.

2.5 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.

Initial recognition and measurement

(i) Financial assets

Financial assets and/or financial liabilities are recognised when the Group becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at fair value except for trade receivables not containing a significant financing component are initially measured at transaction price. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from, as the case may be, the fair value of such financial assets or liabilities on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized in profit or loss.

A financial asset and a financial liability is offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set off the recognized amounts and it is intended to either settle on net basis or to realize the asset and settle the liability simultaneously.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in following categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

A financial asset is subsequently measured at amortised cost, if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and 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.

Financial assets at fair value through other comprehensive income - equity

The Company measures all its equity investments except for investment in subsidiaries and associates, at fair value. Where the Company's management has opted to present fair value gain and losses on equity investments in Other Comprehensive



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Income, there is no subsequent reclassification of fair value gains and losses to the profit and loss. Dividend income from such investments is recognized in the statement of profit and loss as other income when the Company's right to receive payments is established.

Financial assets at fair value through other comprehensive income - debt

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned while holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial assets at fair value through the statement of profit and loss

A financial asset which is not classified in any of the above categories, are subsequently fair valued through the statement of profit and loss.

De-recognition

A financial asset is primarily derecognized when:

1. the right to receive cash flows from the asset has expired, or
2. the group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and a) the group has transferred substantially all the risks and rewards of the asset, or b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount at the date of derecognition and the consideration received is recognised in profit or loss

Impairment of financial assets

In accordance with Ind AS 109, the Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at FVTPL.

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

Outstanding customer receivables are regularly monitored. The Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical data and ageing of accounts receivable. The Group creates allowance for unsecured receivables based on historical credit loss experience, industry practice and business environment in which the entity operates and is adjusted for forward looking information. Subsequently when the Group is satisfied that no recovery of such losses is possible, the financial asset is considered



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irrecoverable and the amount charged to the allowance account is then written off against the carrying amount of the impaired financial asset.

(ii) Financial liabilities:

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- (i) Financial liabilities at fair value through statement of profit and loss
- (ii) Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at amortised cost (Loans and borrowings)

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the Effective interest rate method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the Effective interest rate amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective interest rate. The Effective interest rate amortisation is included as finance costs in the statement of profit and loss.

Trade Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually payable basis varying trade term. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using Effective interest rate method.

Financial guarantee contracts

Financial guarantee contracts issued by the Group, are those contracts that require a payment to be made to reimburse the holder for a loss if incurred because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. If material, financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognized less cumulative amortization

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another 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 and loss.

Offsetting of financial instruments

Financials 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.

2.6 Inventories

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a) Basis of valuation:

Inventories are valued at lower of cost and net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis.

b) Method of Valuation:

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- i) Cost of raw materials has been determined by using First in first out method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.
- ii) Cost of finished goods and work-in-progress includes direct labour and an appropriate share of fixed and variable production overheads. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Cost is determined on First in first out method
- iii) Cost of traded goods has been determined by using First in first out method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.
- iv) Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.
- v) Appropriate adjustments are made to the carrying value of damaged, slow moving and obsolete inventories based on management's current best estimate.

2.7 Taxes on Income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and using estimates and judgments based on the expected outcome of assessments/appeals and the relevant rulings in the areas of allowances and disallowances. The computation reflects the effect of uncertainty for each item of allowance and disallowance as appropriate either by

- i. expected value method which sums the probability-weighted amounts in a range of possible outcomes or
- ii. the most likely amount in a range of possible outcomes

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates as per laws enacted or substantively enacted as on the Balance Sheet date

Deferred tax liabilities are generally recognised for all taxable temporary differences including the temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.



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The Holding Company has applied mandatory exception of recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes as required by Ind AS 12 (as amended).

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

2.8 Revenue from contract with customers

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 Group expects to be entitled in exchange for those goods or services. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amount collected on behalf of third parties and net of estimated liquidated damages. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. A receivable is recognised when the control of the product is transferred as the consideration is unconditional and payment becomes due upon passage of time as per the terms of contract with customers. The Group collects GST or other indirect taxes, if any on behalf of the government and, therefore, it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue.

The Group derives revenues primarily from sale of power infra items, and construction/project related activity, engineering, procurement and construction (EPC) and operation and maintenance of telecommunication towers.

Revenue from sales of products

Revenue from sale of products is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods and there are no unfulfilled obligations. The Group considers, whether there are other promises in the contract in which their are separate performance obligations, to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of product, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer, if any.

Revenue from sales of services

The Group recognises revenue from sales of services over time, because the customer simultaneously receives and consumes the benefits provided by the Group. Revenue from services related activities is recognised as and when services are rendered and on the basis of contractual terms with the parties.

Warranty obligations

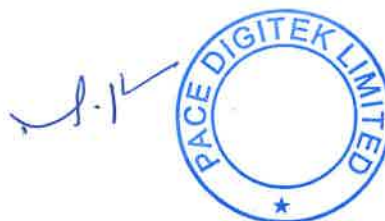
The Group generally provides for warranties for general repair of defects that existed at the time of sale. These warranties are assurance-type warranties under Ind AS 115, which are accounted for under Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets).

Significant Financing Components

In respect of short-term advances from its customers, using the practical expedient in Ind AS 115, the Group is not required to adjust the promised amount of consideration for the effects of a significant financing component because it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be within normal operating cycle.

Revenue from construction/project related activity

Performance obligations with reference to construction/project related activity are satisfied over the period of time, and accordingly, revenue from such contracts is recognized based on progress of performance determined using input method with reference to the cost incurred on contract and their estimated total costs. Margin is not recognised until the outcome of



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the contract is certain. Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. Revenue, measured at transaction price, is adjusted towards liquidated damages, time value of money and price variations, escalation, change in scope etc. wherever, applicable. Variation in contract work and other claims are included to the extent that the amount can be measured reliably, and it is agreed with customer.

The Company evaluates whether each contract consists of a single performance obligation or multiple performance obligations. Due to the nature of the work required to be performed on many of the performance obligations, the estimation of total revenue and cost at completion is subject to many variables and requires significant judgement. The Company considers its experience with similar transactions and expectations regarding the contract in estimating the amount of variable consideration to which it will be entitled and determining whether the estimated variable consideration should be constrained. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue from operation and maintenance

Revenue from operation & maintenance is recognized as the proportion of the total period of services contract that has elapsed at the end of the reporting period.

For contracts where the aggregate of contract cost incurred to date plus recognized profits (or minus recognized losses as the case may be) exceeds the progress billing, the surplus is shown as contract asset and termed as "Unbilled revenue". For contracts where progress billing exceeds the aggregate of contract costs incurred to-date plus recognized profits (or minus recognized losses, as the case may be), the surplus is shown as contract liability and termed as "Excess of billing over revenue". Amounts received before the related work is performed are disclosed in the Balance Sheet as contract liability and termed as "Advances from customer". The amounts billed on the customer for work performed and are unconditionally due for payment i.e. only passage of time is required before payment falls due, are disclosed in the balance sheet as trade receivables. The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of contract asset and is reclassified as trade receivables when it becomes due for payment.

Revenue arising from a service concession arrangement refer section 2.18 Service Concession arrangements.

Contract balances**- Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to a customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

- Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer or has raised the invoice in advance. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Trade receivables

A trade receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (Financial instruments – initial recognition and subsequent measurement).

2.9 Other Income

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Interest Income

Interest Income from bank deposits and loan

Interest income is accrued on a time proportion basis by reference to the principal outstanding and the effective interest rate.

Other items of income are accounted as and when the right to receive arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

2.10 Retirement and other employee benefits

Short-term obligations

Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid at undiscounted value when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Defined benefit plan - Gratuity

The Group operates a gratuity and pension fund defined benefit plan in India, which requires contributions to be made to a separately administered fund. The Group also provides certain additional post employment defined benefits plan to employees in other jurisdiction.

In respect of one of the subsidiary of the Group, Lineage Power Private Limited, the gratuity fund defined benefit plan is being funded and the fund is managed by an independent third-party fund manager.

The liabilities with respect to defined benefit plan are determined by actuarial valuation on projected unit credit method on the balance sheet date, based upon which the Group contributes to the defined benefit scheme. The difference, if any, between the actuarial valuation of the defined benefit scheme of employees at the year end and the balance of funds is provided for as assets/ (liability) in the books. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under Employee benefit expense in statement of profit and loss:

- i) Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements
- ii) Net interest expense or income Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Defined contribution plan - Provident fund, employee state insurance and other defined contribution plan

Retirement benefit in the form of provident fund, employee state insurance and other defined contribution plan is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the these funds. The Group recognises contribution payable through these scheme as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as liability after deducting the contribution already paid.

If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excesses recognised as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund. Other employee benefit - Compensated absence Liability in respect of compensated absences becoming due or expected to be availed after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.



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Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the year in which such gains or losses are determined. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

2.11 Leases

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. For these short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease)

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 'Impairment of non-financial assets'.

(ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The Group's lease liabilities are included in other current and non-current financial liabilities. Variable lease payments that depend on sales are recognised in statement of profit and loss in the period in which the condition that triggers those payments occurs.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low



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value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(iv) Group as a lessor - operating lease

Rental income from operating leases is recognized in the statement of profit and loss on a straight- line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognized on a straight-line basis over the lease term.

(v) The Group as lessor - financial lease

At the inception of a lease , the lease arrangement is classified as either a finance lease or an operating lease in the books of lessor, based on contractual terms and substance of the lease arrangement. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Since principle business of the one of Subsidiary is to engage in BESS project site leasing, income recognition has been done considering guidance for manufacturer or dealer lessor under Ind-AS 116.

Under the said guidance, Revenue is recognized at the lease commencement date at fair value of the leased asset or if lower, present value of the lease payment accruing to the Group calculated on a relative standalone selling price basis as per Ind AS 115 for lease component, discounted using a market rate of interest. These arrange is considered as finance lease and finance lease receivable will be collected over the contract period. In addition, initial direct costs including purchase cost of project site is recognized as expenses net off the present value of unguaranteed residual values at the lease commencement date. Effectively, selling profit or loss on a finance lease is accounted at the commencement date of lease, regardless of whether the subsidiary transfers the underlying asset as described in Ind AS 115. Subsequently, subsidiary Company recognise finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease (Reference: Para 71-78 of Ind AS 116).

Amounts due from lessees under finance leases are recognized as receivables at net investment in the leases. Since, contract arrangement contains lease and non-lease components, then the Group applies Ind AS 115 to allocate the consideration in the contract. The Group applies the derecognition and impairment requirements in Ind AS 109 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

2.12 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

2.13 Borrowing Costs

Borrowing costs includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of profit and loss on the basis of effective interest rate (EIR) method. Borrowing cost also includes exchange differences to



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the extent regarded as an adjustment to the borrowing cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale (i.e. qualifying assets) are capitalised as part of the cost of the respective asset. All other borrowing costs are recognised as expense in the period in which they occur.

2.14 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposit held at call with financial institutions, other short - term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

2.15 Foreign currency translation**(i) Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Group's financial statements are presented in Indian rupee (Rs.) which is also the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transaction. However, for practical reason, the Group uses average rate if the average approximates than actual rate at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

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.

(iii) Exchange differences

Foreign currency translation differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to NCI.

Exchange differences arising on settlement of transactions or translation of monetary items are recognised as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which 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 OCI or profit and loss are also recognised in OCI or profit and loss, respectively). Foreign exchange differences arising on foreign currency borrowings to the extent regarded as borrowing cost are presented in the statement of profit and loss, within finance costs.

All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis. In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a nonmonetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

(iv) Group companies

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On consolidation, the results and financial position of foreign operations that have a functional currency different from the presentation currency (Rs.) are translated to the presentation currency (Rs.) in the following manner:

- a) Assets and liabilities are translated at the rate of exchange prevailing at the reporting date
- b) Their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions
- c) All resulting exchange differences arising on translation of financial statement of foreign operations for consolidation are recognised in other comprehensive income.
- d) On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.
- e) Any Goodwill arising on the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.
- f) Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

2.16 Provisions and Contingent Liabilities

Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably. the Company does not recognise a contingent liability but discloses its existence in the consolidated financial statements unless the probability of outflow of resources is remote.

Contingent assets

A contingent asset is not recognized unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the Ind AS financial statements.

2.17 Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary 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:

- (i) In the principal market for asset or liability, or
- (ii) 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 Group. The fair value of an asset or 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.



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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 Group 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 Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Group 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.

2.18 Service Concession arrangements

Service Concession arrangements are based on the nature of consideration and arising from the power generation business.

Revenue

The Group recognises revenue when services are provided to the customer at transaction price that reflects the consideration to which the Group expects to receive in exchange for those services. Revenue from power generation business is accounted on the basis of billings to the power off takers and includes unbilled revenue accrued up to the end of accounting year. Power off takers are billed as per tariff rate, agreed in purchase power agreement. Operating or service revenue is recognised in the period in which services are rendered by the Group.

Intangible assets

The Group recognises an intangible asset arising from a service concession arrangement when it has right to charge for usage of the concession infrastructure. An intangible asset received as consideration for providing construction services in service concession arrangement is measured at cost, less accumulated amortisation, and accumulated impairment losses, if any. Internal technical team or user assess the useful lives of intangible asset. Management believes that assigned useful lives of 25 years of service concession arrangement projects are reasonable.

Determination of fair value

The fair value of intangible assets is determined by contract price paid for construction of service concession arrangement.

2.19 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of directors of the Company has been identified as the Chief Operating Decision Maker which reviews and assesses the financial performance and makes the strategic decisions



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2.20 Key accounting judgments, estimates and assumptions

The preparation of the consolidated financial information requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these judgements, assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

a) Group as a lessee

The Group determines the lease term as the noncancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

b) Group as a lessor

The Group has entered into commercial property leases on its investment property. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

c) Defined benefit plans

The cost of defined benefit plans and leave encashment is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases.

Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables for India. Future salary increases and pension increases are based on expected future inflation rates for India. Further details about the assumptions used, including a sensitivity analysis, are given in notes to the financial statement.

d) Impairment of financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. the Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history ,existing market conditions as well as forward looking estimates at the end of each reporting period.

e) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An assets recoverable amount is the higher of an asset's CGU's fair value less cost of disposal and its value in use.



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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 estimated based on past trend and 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 taken into account. If no such transactions can be identified, an appropriate valuation model is used.

f) Provision for warranty

Provisions for warranties is measured at discounted present value using pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. Warranty provisions is determined based on the historical percentage of warranty expense to sales for the same types of goods for which the warranty is currently being determined. The same percentage to the sales is applied for the current accounting period to derive the warranty expense to be accrued. It is very unlikely that actual warranty claims will exactly match the historical warrant percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence.

g) Property, Plant and Equipment, investment properties and intangible assets

Property, Plant and Equipment, investment property, and intangible assets represent significant portion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of assets expected useful life and expected value at the end of its useful life. The useful life and residual value of Group's assets are determined by Management at the time asset is acquired and reviewed periodically including at the end of each year. The Group uses its technical expertise along with historical and industry trends for determining the economic useful life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised amount is charged over the remaining useful life of the assets.

2.21 Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA) has notified the following amendments:

Amendments to Ind AS 21 - Lack of exchangeability

On 09 May 2025, Ministry of Corporate Affairs (MCA) notifies the amendments to Ind AS 21 - Effects of Changes in Foreign Exchange Rates. These amendments aim to provide clearer guidance on assessing currency exchangeability and estimating exchange rates when currencies are not readily exchangeable. The amendments are effective for annual periods beginning on or after April 01, 2025.

Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non current Liabilities with Covenants

In August 2025, the MCA notified amendments to paragraphs 69 to 76 of Ind AS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- a) What is meant by a right to defer settlement
- b) That a right to defer must exist at the end of the reporting period
- c) That classification is unaffected by the likelihood that an entity will exercise its deferral right
- d) That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.



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If there is a breach of a material covenant of a long term loan arrangement on or before the end of the reporting period, resulting in the liability becoming payable on demand as at the reporting date, and the lender agrees—after the reporting period but before the financial statements are approved for issue—not to demand repayment for at least 12 months as a consequence of the breach, this shall be treated as an adjusting event. Accordingly, the entity is not required to classify the liability as current.

The amendments are effective for annual reporting periods beginning on or after 1 April 2025 retrospectively in accordance with Ind AS 8.

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

2.16 Standards issued but not yet effective

The new and amended standards that are notified by the Ministry of Corporate Affairs (MCA), but not yet effective, up to the date of issuance of the Company's consolidated financial statements are disclosed below: The Company will adopt these amendments to the standards, when they become effective.

Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

In accordance with Ind AS 1 currently applicable, breach of an immaterial covenant is ignored deciding in current vs. non-current classification of liabilities. Also, in case of breach of a material covenant of a non-current loan on or before the reporting date, the entity can obtain waiver from the lender after the reporting date and continue to classify the loan as non-current liability.

In accordance with changes to Ind AS 1 already notified by the MCA, the above relaxations to classify loan as non-current liability will not be available from FY 2026-27 onward and need to be applied retrospectively. Consequently:

- i) A breach of either material or immaterial covenant will trigger current classification of liability.
- ii) To continue classifying loan as non-current liability, entities will need to obtain waiver from the breach on or before the reporting date.

The Company is currently assessing the impact the amendments will have on its consolidated financial statements.

