IRCON INTERNATIONAL LIMITED

IRCON LUDHIANA RUPNAGAR HIGHWAY LIMITED

CIN: U45309DL2021GOI391675

(Wholly Owned Subsidiary of IRCON International Limited)

ANNUAL REPORT 2025-26

REGISTERED & CORPORATE OFFICE:

C-4, District Centre, Saket,
New Delhi -110017, India

Tel.: +91-11-29565666

E-mail id: irconlrhl@gmail.com

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IRCON LUDHIANA RUPNAGAR HISHWAY LIMITED (IrconLRHL)
FOR THE FINANCIAL YEAR 2025-26

COMPANY PROJECT

Construction of Four / Six lane Greenfield Ludhiana – Rupnagar National Highway no. NH-205K from junction with NE-5 village near Manewal (Ludhiana) to junction with NH205 near Bheora Village (Rupnagar) including spur to Kharar with Ludhiana bypass under Bharatmala Pariyojana in the State of Punjab on Hybrid Annuity Mode: Package-3 (Design Ch. 66.440 to Design Ch. 90.500 and spur to kharar Design Ch. 0.000 to Design Ch. 19.200, total length 43.26 km)

BOARD OF DIRECTORS

Shri Surender Singh, Chairman

Shri Ajay Pal Singh, Director

Shri Masood Ahmad, Director

Shri Sanjay Bisariya

Ms. Yamini Sahib, Director

STATUTORY AUDITOR

M/s. Rakhecha & Co.

Chartered Accountant

EPC CONTRACTOR TO COMPANY

Ircon International Limited

CONTACT PERSON

Shri Vikash Awasthi

Company Secretary

Email id: irconlrhl@gmail.com

REGISTERED OFFICE

C-4, District Centre,

Saket, New Delhi-110017

BOARD OF DIRECTORS

Shri Surender Singh
Chairman

Shri Ajay Pal Singh
Director

Shri Masood Ahmad
Director

Shri Sanjay Bisariya
Director

Ms. Yamini Sahib
Director

CHAIRMAN'S MESSAGE

Dear Shareholders,

Good Morning ladies and gentlemen, I have much pleasure in welcoming you all to the fifth(5^{th}) Annual General Meeting (AGM) of Ircon Ludhiana Rupnagar Highway Limited (IrconLRHL) and present the audited Financial Statements for the year ended 2025-26. I thank each one of you for making it convenient for sparing your valuable time for this meeting.

About the Company

IrconLRHL, a wholly owned subsidiary of Ircon International Limited (IRCON) was incorporated on 24^{th} December, 2021 as a Special Purpose Vehicle (SPV) with the main object to carry the business of construction of Four/Six lane Greenfield Ludhiana - Rupnagar National Highway no. NH-205K from junction with NE-5 village near Manewal (Ludhiana) to junction with NH205 near Bheora Village (Rupnagar) including spur to Kharar with Ludhiana bypass ('the Project') under Bharatmala Pariyojana in the State of Punjab on Hybrid Annuity Mode (HAM): Package-3 (Design Ch. 66.440 to Design Ch. 90.500 and spur to kharar Design Ch. 0.000 to Design Ch. 19.200, total length 43.26 km), in accordance with the Concession Agreement signed with National Highway Authority of India (NHAI) on 25^{th} March, 2022.

The financial closure has been achieved and NHAI has declared the appointed date from 16^{th} February, 2023 to commence construction. The concession period of the project is comprised of construction period of 730 days from the appointed date (i.e. 16^{th} February, 2023) and operation period of 15 years commencing from Commercial Operation Date (COD). The Project is in execution phase. IRCON has been appointed as EPC Contractor in terms of technical bid submitted by IRCON to NHAI.

Further as per financial model the total Adjusted Project Bid Cost is Rs.1220.21 crore. Out of the total Adjusted Project Bid Cost, Rs.506.69 crore shall be reimbursed by NHAI during construction phase and balance Rs.713.52 crore will be receivable after construction in the form of Annuity that will be financed during construction by a mix of debt and equity in the ratio of 80:20. Accordingly, your Company will finance the cost of project of Rs.713.52 crore by way of debt of Rs.570.82 crore and equity Rs.142.70 crore.

The Bank of Baroda has sanctioned a term loan of Rs.570.82 crores. As on 31st March, 2026, Bank of Baroda has disbursed a loan of Rs.470.65 crores.

As on 31st March, 2026, a progress of 69.87% has been achieved. However, the 3rd milestone of 75% progress has not been achieved till the target date of 15th June, 2024 due to force majeure resulting in delay in project.

Compliances and Disclosures

Corporate Governance: Compliances and Disclosures under the Companies Act, 2013 and rules thereunder are being fully adhered to by your Company. As per Office Memorandum dated 10th July 2014 and 11th July 2019 issued by Department of Public Enterprises (DPE), CPSEs constituted as Special Purpose Vehicle (SPV) are exempted from compliance of the DPE Guidelines on Corporate Governance for CPSEs. Hence, these are not applicable on your company.

Acknowledgements

I,on behalf of Board of Directors,express my heartfelt thanks for the valuable assistance and co-operation extended to the Company by MoRTH, NHAI, Ircon International Limited, Auditors of the Company and all those who have supported and guided us during the year. I express my deep gratitude to employees for their dedication, intellect, hard work. And last, but not least, I would like to thank my colleagues on the Board for their guidance and continuous support.

We look forward to your continued support in our journey ahead.

For and on behalf of Board of Directors
Ircon Ludhiana Rupnagar Highway Limited

Sd/-
(Surender Singh)
Chairman
DIN: 09214484

Date: 30th July, 2026
Place: New Delhi

DIRECTORS' REPORT

Dear Members,

Your Directors have immense pleasure in presenting the **5th Annual Report of Ircon Ludhiana Rupnagar Highway Limited (IrconLRHL)** together with the Audited Financial Statements of the Company and Auditor's Report for the Financial Year ended on March 31, 2026.

1. BUSINESS OPERATIONAL HIGHLIGHTS: PRESENT STATE OF COMPANY'S AFFAIRS:

IrconLRHL, a wholly owned subsidiary of Ircon International Limited (IRCON) was incorporated on 24th December, 2021 as a Special Purpose Vehicle (SPV) with the main object to carry the business of construction of Four/Six lane Greenfield Ludhiana - Rupnagar National Highway no. NH-205K from junction with NE-5 village near Manewal (Ludhiana) to junction with NH205 near Bheora Village (Rupnagar) including spur to Kharar with Ludhiana bypass ('the Project') under Bharatmala Pariyojana in the State of Punjab on Hybrid Annuity Mode (HAM): Package-3 (Design Ch. 66.440 to Design Ch. 90.500 and spur to kharar Design Ch. 0.000 to Design Ch. 19.200, total length 43.26 km), in accordance with the Concession Agreement signed with National Highway Authority of India (NHAI) on 25th March, 2022.

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2. FINANCIAL HIGHLIGHTS:

In pursuance of the provisions enumerated under Companies (Indian Accounting Standards) Rules, 2015, the Company, has prepared its annual financial statements for the Financial Year 2025-26 as per Indian Accounting Standards (IND AS).

Financial performance indicators as on 31st March, 2026:

(Rs. in lakh)

Sl. No.	Particulars	For the Year ended 31.03.2026	For the Year ended 31.03.2025
1.	Equity Share Capital	1427.00	1,111.00
2.	Other Equity (includes Reserves and Surplus)	11845.29	10,792.44
3.	Net Worth	13272.29	11,903.44
4.	**Total Assets and Liabilities**	**63285.66**	**61,927.51**
5.	Revenue from Operations	9873.68	31,756.55
6.	Other Income	80.02	21.46
7.	**Total Income (5) + (6)**	**9953.70**	**31,778.01**
8.	**Profit Before Tax**	**(1254.81)**	879.89
9.	**Profit After Tax**	**(946.72)**	**658.61**
10.	Earnings Per Equity Share (on face value of Rs.10/- per share)		
	(i) Basic	(7.22)	10.61
	(ii) Diluted	(7.22)	10.61

3. DIVIDEND & APPROPRIATION TO RESERVE:

The Board of Directors does not recommend any dividend for the financial year 2025-26.

As per the applicability of Ind AS, Reserves are reflected as Retained Earnings under the head “Other Equity” in Financial Statements and your Company has a balance of Rs. (150.71) lakh in Retained Earnings as on 31st March, 2026.

4. SHARE CAPITAL/ DEMATERIALISATION:

The Authorized Share Capital of the Company as on 31st March, 2026 is Rs.1450 lakh comprising of 1,45,00,000 Equity Shares of Rs.10/- each.

During the year, the Company has increased its Paid-up Capital from Rs. 1,111 lakh to Rs. 1,427 lakh. Ircon International Limited (IRCON) continues to hold 100% paid-up share capital of IrconLRHL.

As per Rule 9A of the Companies (Prospectus and Allotment of Securities) Amendment Rules, 2019 dated 22nd January, 2019, the Company being a wholly owned subsidiary (WoS) is not required to get its securities in dematerialised form.

5. CASH FLOWS FROM THE PROJECT:

The Company is having a negative Cash Flows from operating activities of Rs. 2,451.21 lakh for the financial year ended 31st March, 2026. The negative cash flow is financed primarily from Bank Loan, Equity and Quasi Equity.

6. DETAILS OF SUBSIDIARY/ JOINT VENTURES/ ASSOCIATE COMPANIES:

For the period under review, there was no Subsidiary/ Joint Ventures/ Associate Companies of the Company.

7. BOARD OF DIRECTORS & KEY MANAGEMENT PERSONNEL:

BOARD OF DIRECTORS:

CATEGORY & NAME OF THE DIRECTORS WITH DESIGNATION DURING THE YEAR 2025-26:

As per Articles of Association of the Company, the Board of the Company is appointed by the holding company (IRCON).

During the year under review, the holding Company (IRCON) had nominated Shri. Surender Singh, as the Part-time (Nominee) Director (Additional Director) of your Company w.e.f. 1st May, 2025. Further, Consequent upon the superannuation of Shri Parag Verma, he has ceased as Director w.e.f. 01.05.2025. Re-designation of Shri. Yogesh Kumar Misra as Chairman of the Company in place of Shri Parag Verma w.e.f. 01.05.2025.

During the year under review, the holding company has nominated Shri Sanjay Bisariya [having DIN: 11291128] as Part-time (Nominee) Director (Additional Director) w.e.f 10th September, 2025.

During the year under review, your Company had re-designated Shri Surender Singh [having DIN: 09214484], as the Chairman (Part-time Nominee) of your Company, vice Shri Yogesh Kumar Misra w.e.f. 1st November, 2025. Shri Yogesh Kumar Misra ceased to be the Director and Chairman of your Company consequent to withdrawal of nomination by the holding Company [IRCON] w.e.f. 31st October, 2025. The holding Company has nominated Shri Ajay Pal Singh [having DIN: 09214484] as Part time Director in place of Shri Yogesh Kumar Misra w.e.f. 1st November, 2025.

Shri Ajay Pal Singh was nominated by IRCON as Additional Part-time Director of the Company w.e.f. 1st November, 2025, who hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice under section 160 of the Companies Act, 2013 from Shri Ajay Pal Singh giving their candidatures for appointment as Directors, liable to retire by rotation, in the ensuring Annual General Meeting (AGM). Their appointment as Directors by Shareholders is included in the notice of ensuring AGM.

The Board placed on record its appreciation for their valuable contribution and guidance & support given by Shri Yogesh Kumar Misra during his tenure as Directors of the Company.

As on 31st March, 2026, the total number of Directors is Five (5) including Chairman, nominated by IRCON. Details of Directors are as follows:

Category, Name & Designation	DIN	Date of Appointment or Change in designation (during the year, if any)
Shri Surender Singh, Chairman	09214484	Appointed as Additional Part-time (Nominee) Director w.e.f. 1st May, 2025

Shri Parag Verma, Chairman	05272169	Ceased as Director of the Company w.e.f. 1st May, 2025
Shri Yogesh Kumar Misra, Director	07654014	Ceased as Director of the Company w.e.f. 31st October, 2025
Shri Masood Ahmad	09008553	-
Ms. Yamini Sahib	10686600	-
Shri Ajay Pal Singh	**10489550**	Appointed as Additional Director w.e.f. 1st November, 2025
Shri Sanjay Bisariya	**11291128**	Appointed as Additional Director w.e.f. 10th September, 2025

In accordance with the provisions of Section 152(6) the Companies Act, 2013, all Directors of the Company shall be liable to retire by rotation at the Annual General Meeting of your Company. Ms. Yamini Saheb will retire by rotation at the Annual General Meeting of your Company and being eligible, offers herself for re-appointment. The Board of Directors recommends his reappointment as Director and his brief resume is annexed to the Notice of the Annual General Meeting.

None of the Directors is disqualified from being appointed/ re-appointed as Director.

KEY MANAGEMENT PERSONNEL (KMP):

Pursuant to Section 203 of the Companies Act, 2013, the Key Managerial Personnel (KMP) of the Company during the Financial Year 2025-26 are as follows:

Category, Name & Designation	Designation	Date of Appointment	Date of Cessation
Shri Mohammad Hannan	Chief Financial Officer	28.06.2024	-
Shri Jaswinder Singh	Chief Executive Officer	28.03.2025	30.11.2025
Shri Ankit Jain	Company Secretary	29.04.2025	30.10.2025
Shri Lalit Kumar Verma	Chief Executive Officer	01.12.2025	-

After closure of the Financial Year, Shri Vikash Awasthi, appointed as Company Secretary and Key Managerial Personnel w.e.f. 29th April, 2026.

8. BOARD MEETINGS:

During the period under review, the Board met Seven (7) times on 07-04-2025, 29-04-2025, 29-07-2025, 30-10-2025, 01-12-2025, 30-01-2026 and 27-03-2026. The interval between the Board Meetings were within the period prescribed under the Companies Act, 2013. The attendance detail of the Board Meetings is as follows:

Date of the Meeting	Board Strength	No. of Directors Present
07-04-2025	4	4
29-04-2025	4	4
29-07-2025	4	4
30-10-2025	5	4
01-12-2025	5	5
30-01-2026	5	4
27-03-2026	5	5

The table below shows attendance of the Board Members at the Board Meetings held during the period under review and their attendance in the last Annual General Meeting (AGM):

Name of Directors	Meeting Date							Whether Attended last AGM	Total Board Meeting entitled to attend during FY 2025-26	No. of Board Meetings attended during FY 2025-26	% of Attendance
	07-04-2025	29-04-2025	29-07-2025	30-10-2025	01-12-2025	30-01-2026	27-03-2026				
Shri Parag Verma	✓	✓	NA	NA	NA	NA	NA	NA	2	2	100
Shri Yogesh Kumar Misra	✓	✓	✓	✓	NA	NA	NA	✓	4	4	100
Shri Masood Ahmad	✓	✓	✓	×	✓	✓	✓	✓	7	6	85.71
Ms. Yamini Sahib	✓	✓	✓	✓	✓	✓	✓	✓	7	7	100
Shri Surender Singh	NA	NA	✓	✓	✓	✓	✓	✓	5	5	100

Shri Ajay Pal Singh	**NA**	**NA**	**NA**	**NA**	✓	✓	✓	**NA**	**3**	**3**	**100**
Shri Sanjay Bisariya	**NA**	**NA**	**NA**	✓	✓	×	✓	**NA**	**4**	**3**	**75**

9. INDEPENDENT DIRECTORS & BOARD COMMITTEES & CORPORATE GOVERNANCE GUIDELINES ISSUED BY DPE:

In terms of notification dated 5th July 2017 issued by the Ministry of Corporate Affairs (MCA) inter-alia amending rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014, an unlisted public company which are wholly-owned subsidiary is exempted from the requirement of appointing Independent Directors on its Board. Also, read with the provision of Section 177(1), 178(1) and rule-6 of the Companies (Meetings of Board and its Powers) Rules, 2014, the requirement of constituting of the Board Committees viz. Audit Committee and Nomination & Remuneration Committee (NRC) is not applicable on such companies.

Further, in terms of Department of Public Enterprises (DPE)'s OM dated July 8-10, 2014 read with OM dated 11th July, 2019, CPSE's constituted as Special Purpose Vehicle (SPV) are exempted from compliance with the DPE Guidelines on Corporate Governance for CPSEs. Hence, Corporate Governance guidelines of DPE are not applicable on IrconLRHL.

IrconLRHL, an unlisted public company and a wholly-owned subsidiary company of IRCON, is, therefore, not required to appoint any Independent Director on its Board and the declaration by the Independent Directors is not applicable on the Company. Further, the constitution of Audit Committee and Nomination & Remuneration Committee of the Board is also not applicable.

10. DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms:

a) that in the preparation of the annual financial statements for the year ended 31st March, 2026, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
b) that such accounting policies have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and

fair view of the state of affairs of the Company at the end of the financial year March 31, 2026 and of the Profit & Loss of the Company for that period ended on that date;

c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) that the annual financial statements have been prepared on a going concern basis;

e) that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

10. DIRECTOR'S OBSERVATION AND COMMENT'S FOR FINANCIAL STATEMENTS (EXPLANATION FOR ANY COMMENTS MADE BY AUDITORS IN THEIR REPORT:

The Notes to Accounts forming part of the financial statements are self-explanatory and need no further explanation. There are no qualifications or adverse remarks in the Auditors' Report which require any clarification/ explanation.

11. STATUTORY AUDITOR:

CAG letter dated 12th September, 2025 had been appointed M/s. Rakhecha & Co., Chartered Accountants as Statutory Auditors, for the Financial Year 2025-26 vide. M/s. Rakhecha & Co., Chartered Accountants have confirmed by way of a written consent and certificate as required under Section 139(1) of the Companies Act, 2013.

12. STATUTORY AUDITORS' REPORT AND C&AG COMMENTS

The reports of the Statutory Auditors on the Financial Statements for FY 2025–26 attached separately as part of the Annual Report. There are no qualifications, reservations or adverse remarks made by Statutory Auditor, in their report for the financial year ended on March 31, 2026.

C&AG vide its letter dated 11th June 2026 has also conveyed that "C&AG has decided not to conduct supplementary audit of the financial statements for the year ended 31st March, 2026" i.e., C&AG issued non-review certificate.

13. INTERNAL AUDITOR:

The Board of Directors had appointed M/s. Singhal Sunil & Associates, Chartered Accountants, as Internal Auditors for the FY 2025-26, to conduct the Internal Audit of the Company in terms of Section 138 of the Companies Act, 2013. During the year under review, M/s. Singhal Sunil & Associates had conducted an internal audit on half-yearly basis and submitted their report to the Board of Directors.

14. COST RECORDS AND COST AUDIT

In accordance with the provisions of Section 148(1) of the Act, read with Companies (Cost Records and Audit Rules), 2014, the Company has maintained cost accounts and records. The Board of Directors has appointed M/s R M Bansal & Co., Cost Accountants, as Cost Auditors of the Company for the Financial Year 2025-26 for conducting the audit of cost records maintained by the Company as per the applicable Rules / Guidance Note, etc.

15. SECRETARIAL AUDIT REPORT

Pursuant to the provision of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s. A.K. Rastogi & Associates, Company Secretary, as Secretarial Auditor of the Company for the FY 2025-26. The Secretarial Audit Report for FY 2025-26 do not contain any adverse observations and forms part of this Report.

16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

There are no transactions of loans, guarantees and investments as covered under the provisions of Section 186 of the Companies Act, 2013 during the financial year under review.

17. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

During the financial year, the related party transactions with the holding company (IRCON) were in the ordinary course of business and on an arm's length basis and approved in terms of the Companies Act 2013. The details of the related party transactions in form AOC-2 are enclosed to this report as **Annexure – A.**

18. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY AFTER THE CLOSURE OF THE FINANCIAL YEAR:

No material changes and commitments have occurred which affect the financial position of the Company between the end of the financial year and the date of this report except as mentioned in this Annual Report.

19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are set out hereunder:

A. Conservation of energy: -

i. the steps taken or impact on conservation of energy – NIL

ii. the steps taken by the Company for utilizing alternate sources of energy – Nil

iii. the capital investment on energy conservation equipment – NIL

B. Technology absorption: - **Not applicable**

i. the efforts made towards technology absorption;

ii. the benefits derived like product improvement, cost reduction, product development or import substitution;

iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

a. the details of technology imported;

b. the year of import;

c. whether the technology been fully absorbed;

d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

iv. the expenditure incurred on Research and Development.

C. Foreign exchange earnings and Outgo: - **Not applicable**

i Foreign Exchange Earned

ii Foreign Exchange Outgo

20. RISK MANAGEMENT:

The Board of Directors has approved and adopted a Risk Management Policy to establish a structured framework for identifying, assessing, monitoring and mitigating risks associated with the Company's business and operations. The Board periodically reviews the key risks and the effectiveness of the risk management framework.

21. CREDIT RATING:

During the FY 2025-26, Infomerics and Valuation Rating Limited has provided IVR AA/Stable (IVR Double A with Stable Outlook); Stable rating for the long-term bank facilities of Rs. 570.82 Crore to your Company.

22. CORPORATE SOCIAL RESPONSIBILITY (CSR):

Every company having Net Worth of ₹500 crore or more or Turnover of ₹1000 crore or more or Net Profit of ₹5 crore or more during the immediately preceding FY is required to spend in every FY, at least 2% of average net profits of the company made during the three immediately preceding FY in pursuance of its Corporate Social Responsibility (CSR) Policy.

Since, the net profit of the Company for the financial year ended March 31, 2025 was ₹8.80 Crore which exceeds the abovementioned threshold limit, therefore, the provisions of CSR under Section 135 of the Companies Act, 2013 was applicable on the Company from FY 2025-26.

During the period under review, the CSR budget of the Company was Rs.7,23,330. Therefore, the requirement for constitution of CSR Committee pursuant to Section 135 of the Companies Act, 2013 was not applicable to the Company.

During the year, CSR fund was allocated under following CSR activities:

S. No.	Name of the project/activity	Whether the project/activity was taken up the Company directly or through any agency/entity? If yes, name of agency/entity	Sector	Location of the project/State	Amount spent in the current financial year (in Rs.)
1.	Organizing school camps for distribution of sanitary pads, medicines, and health awareness programs for schoolgirls from poverty-stricken families, which may	Jai Ghushmeshwar Lok Sewa Sansthan	Health & Nutrition	Tehsil Morinda & Shri Chamkaur Sahib in District Rupnagar and Kharar in District	7,23,330

	be executed in project vicinity, i.e. in Tehsil Morinda & Shri Chamkaur Sahib in District Rupnagar and Kharar in District Mohali in the State of Punjab			Mohali in the State of Punjab		

The Annual report on CSR activities required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out as **Annexure-C** forming part of this report.

23. <u>PARTICULARS OF EMPLOYEES:</u>

As per Notification dated 05th June, 2015 issued by the Ministry of Corporate Affairs (MCA), Government Companies are exempted from complying with the provisions of Section 197 of the Companies Act, 2013 and corresponding rules under Chapter XIII.

IrconLRHL being a government company is not required to disclose information on the remuneration of employees falling under the criteria prescribed under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 as a part of the Directors' Report.

24. <u>CHANGE IN THE NATURE OF BUSINESS:</u>

There is no change in the nature of business of the company during the period under review.

25. <u>PUBLIC DEPOSITS:</u>

During the period under review, your Company has not invited any deposits from its members pursuant to the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

26. <u>INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY</u>

Adequate internal financial controls are exercised in the Company, keeping in view the size of operations of the Company. The Company is following all the applicable Accounting Standards for properly maintaining the books of account and reporting in the financial statements. The Company has appointed an independent firm of Cost Accountants as

Internal Auditors to ensure that the Company's systems and practices are designed with adequate internal controls to match the size and nature of operations of the Company. The Internal Auditors conduct a half yearly audit and review, covering all areas of operation. The Reports of the Auditors are placed before the Board of Directors for discussion and necessary action.

27. <u>SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE</u>

No order has passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future during the period under review.

28. <u>ONBOARDING ON TREDS PLATFORMS:</u>

In compliance of the government guidelines, Company has onboarded on all five (5) operational TReDS platforms during the FY 2025-26.

Details of the onboarding on TReDS platforms are as under:

Platforms	Date
RXIL	15-07-2023
M1xchange	17-02-2026
DTX	22-01-2026
C2treds	01-02-2026
INVOICEMART	06-02-2026

29. <u>COMPLIANCE OF TIMELY PAYMENT TO MSE VENDORS WITHIN THE PRESCRIBED TIMELINE UNDER THE MSMED ACT, 2006.</u>

The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 mandates that payments to Micro and Small Enterprises (MSEs) be made within 45 days from the date of acceptance of goods or services, or from the date of resolution of objections where such objections are raised by the buyer in writing within 15 days of delivery or rendering of services. Company remains committed to ensuring timely payments to its MSE vendors in accordance with the provisions of the Act. During the Financial Year 2025-26, the Company made payments to its MSE vendors within the prescribed timelines and did not experience any instances of delayed payments.

30. DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company being a wholly owned subsidiary of IRCON, 'Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Workplace' of IRCON (POSH Policy) is applicable on the Company and the Internal Committee of IRCON deals with all the matters under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the period under review, there was no incidence where any complaint relating to sexual harassment was reported pursuant Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The number of sexual harassment complaints received during the year	-	0
The number of such complaints disposed off during the year	-	0
The number of cases pending for more than ninety days	-	0

31. STATEMENT ON MATERNITY BENEFIT COMPLIANCE

The Company is complying with the provisions relating to the Maternity Benefit Act, 1961.

32. VIGIL MECHANISM:

The Company has established a mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the Code. It also provides for adequate safeguards against the victimization of employees who avail the mechanism. Being a wholly owned subsidiary of IRCON, for employees nominated and deputed from IRCON, the Whistle Blower Policy of IRCON is applicable, which is available on the website at, https://www.ircon.org/sites/default/files/2025-02/Whistle-Blower-Policy.pdf

For other persons in employment of the Company, complaint/ reporting under Vigil Mechanism can be addressed to:

Shri Masood Ahmad, Director
Ircon Ludhiana Rupnagar Highway Limited (IrconLRHL)
Address: Ircon International Limited,
C-4, District Centre, Saket, New Delhi- 110017
Phone No.: +91 -9560595062, Email id: masood.ahmad@ircon.org

33. RIGHT TO INFORMATION:

No application under Right to Information Act, 2005 was received by your company during the FY 2025-26, however, general RTI applications transferred from DPE were duly replied during the FY 2025-26, if any.

34. PERFORMANCE EVALUATION OF BOARD MEMBERS:

Pursuant to the notification of Ministry of Corporate Affairs dated 5th June 2015, sub-sections (2), (3) & (4) of Sec. 178 regarding the performance evaluation shall not apply to Directors of Government Company.

Being a Government Company and a wholly-owned subsidiary of Ircon International Limited, all part-time Directors are nominated by the holding company, IRCON. The evaluation of these nominated directors is done by the holding company as per pre-defined criteria in line with the guidelines of the Government of India. Hence, performance evaluation of Directors is not applicable on your company.

35. SECRETARIAL STANDARDS

During the financial year 2025-26, the Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

36. APPLICATION/ PROCEEDING PENDING UNDER INSOLVENCY & BANKRUPTCY CODE, 2016

There are no proceeding initiated/ pending against the Company under the Insolvency & Bankruptcy Code, 2016 which materially impact the business of the Company.

37. ACKNOWLEDGEMENT:

We thank Ircon International Limited, Ministry of Road Transport & Highways (MORTH)/ National Highway Authority of India (NHAI), various other Government Agencies, Banks, Comptroller & Auditor General of India (C&AG) and Statutory Auditors, for their support, and look forward to their continued support in the future.

We also place on record our appreciation for the contribution made by our employees at all levels. Your Board of Directors also takes this opportunity to convey their gratitude and

sincere thanks for the cooperation and assistance received from the Shareholders during the period under report. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

For and on behalf of Board of Directors
of Ircon Ludhiana Rupnagar Highway Limited

sd/-
(Surender Singh)
Chairman
DIN: 09214484

Date: 30th July, 2026

Place: New Delhi

ANNEXURE-A

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto during the period from 01st April, 2025 to 31st March, 2026

1. **Details of contracts or arrangements or transactions not at arm's length basis: NIL**
2. **Details of material contracts or arrangements or transactions at arm's length basis: as follows:**

Sr. No.	Nature of contracts or arrangements or transactions	Duration of the contracts or arrangements or transactions	Salient terms of the Contracts or Arrangements or Transactions including the value, if any	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
1.	**EPC Agreement** (For Appointing Ircon International Limited as EPC Contractor for construction of Four/ Six lane Greenfield Ludhiana - Rupnagar National Highway no. NH-205K from junction with NE-5 village near Manewal (Ludhiana) to junction with NH205 near Bheora Village (Rupnagar) including spur to Kharar with Ludhiana bypass under Bharatmala Pariyojana in the State of Punjab on Hybrid Annuity Mode (HAM)	730 days from the appointed date and as extended by NHAI subsequently	Agreement dated 02nd September, 2022 The Contract has been awarded to IRCON for a consideration of Rs.993.86 crore + GST	-	NIL
2.	**Lease Agreement** (To take on lease the Office Premises of IRCON)	1st April, 2023 to 31st March, 2025	Lease Agreement executed on 5th April, 2023 for rent @ ₹23,359/- p.m. plus GST.	-	NIL

Apart from above said transactions, IRCON (holding company) has deputed its employee i.e. Chief Executive Officer, Chief Financial Officer, Company Secretary to IrconLRHL and the salary, benefits (like PF, GIS, pension, related payments etc.) and other miscellaneous payment in nature if travelling/ ticket cost etc. paid to such deputed employees as per IRCON's policy are reimbursed on actual cost basis.

For and on behalf of Board of Directors
of Ircon Ludhiana Rupnagar Highway Limited

sd/-
(Surender Singh)
Chairman
DIN: 09214484

Date: 30th July, 2026
Place: New Delhi

A.K. RASTOGI & ASSOCIATES
Company Secretaries

R-13/69,RAJNAGAR
GHAZIABAD-201002(U.P.)
Mob:9650990414/9650990614
anilrastogi3609@gmail.com,
anil_rastogi29@rediffmail.com
www.akrastogiassociates.in

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31St MARCH, 2026

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members,
IRCON LUDHIANA RUPNAGAR HIGHWAY LIMITED
C-4, District Centre, Saket,
New Delhi- 110017

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate Practices by **IRCON LUDHIANA RUPNAGAR HIGHWAY LIMITED (CIN: U45309DL2021GOI391675)** hereinafter called the 'Company' for the financial year ended on **31st March, 2026**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2026** (Audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and Returns filed and other records maintained by the Company for the financial year ended on 31st March, 2026 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; - **(Not Applicable to the Company during the Audit period);**
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; - **(Applicable to the extent to unlisted company);**
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations

made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - **(Not Applicable to the Company during the Audit period);**

(v) The following Regulations and Guidelines prescribed under the **Securities and Exchange Board of India Act, 1992 ('SEBI Act')** are **not applicable** to the Company as the securities of the Company are not listed with stock exchanges during Audit period:

(a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(f) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021;

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with client;

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(vi) As explained by the management, the following laws are specifically applicable to the Company based on their Sector/ Industry:

1. Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Central Rules, 1998.
2. The Disaster Management Act, 2005.

We further report that Compliances/ processes/ systems under other specific applicable laws (as applicable to the industry) are being relied on the basis of periodical certificate under internal compliance system submitted to the Board of Directors of the Company.

The Compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by the statutory auditor and the other designated professionals.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards as amended from time to time issued by The Institute of Company Secretaries of India with respect to Board and General Meeting.
(ii) DPE Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises vide their OM No. 18(8)/2005-GM dated14th May 2010.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. ***The Company, an unlisted public company (a wholly owned subsidiary of Ircon International Limited) is exempted from the requirement of having Independent Directors vide Notification No GSR 839(E) dated 5th July 2017 issued by the Ministry of Corporate Affairs (MCA); hence the Company is not required to have Independent Directors on its Board.***

2. ***Further in view of the aforesaid exemption to an unlisted wholly owned subsidiary, the Company being wholly owned subsidiary of Ircon International Limited, has not constituted the Board Committees viz. Audit Committee and Nomination & Remuneration Committee (NRC) as per Section 177(1), 178(1) of the Companies Act 2013.***

We further report that:

The Board of Directors of the Company was duly constituted with Non - Executive Directors as nominated by the Promoter Company viz. IRCON INTERNATIONAL LIMITED, as per the Articles of Association of the Company. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Generally, adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and in some cases at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Based on the verifications of the records and minutes, we report that the majority decisions were taken unanimously, with the consent of all the Directors or through requisite majority while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had the following major event/ action bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

- **Increase in Paid up Share Capital of the Company:** During the financial year, the Board of Directors approved the allotment of 31,60,000 (Thirty-One Lakh Sixty Thousand) Equity Shares of ₹10/- each to the Company's holding company, Ircon International Limited. Pursuant to the aforesaid allotment, the paid-up equity share capital of the Company increased from ₹11,11,00,000 (Rupees Eleven Crore Eleven Lakh only) to ₹14,27,00,000 (Rupees Fourteen Crore Twenty-Seven Lakh only).

For A.K. Rastogi & Associates
Company Secretaries
ICSI Unique code No P2025UP104900
Peer Review Certificate No. 8162/2026

Place: Ghaziabad
Date: 24/07/2026

CHHAVI JAIN
Digitally signed by CHHAVI JAIN
Date: 2026.07.24 16:39:09 +05'30'

(Chhavi Jain)
PARTNER
Mem. No.: A52081
COP No.: 28457
UDIN: A052081H000933445

Note: This report to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

ANNEXURE A

The Members
IRCON LUDHIANA RUPNAGAR HIGHWAY LIMITED
Plot C-4, District Centre, Saket,
New Delhi- 110017

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and our report is not covering observations/ comments/ weaknesses already pointed out by the other Auditors.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For A.K. Rastogi & Associates
Company Secretaries
ICSI Unique code No P2025UP104900
Peer Review Certificate No. 8162/2026

Place: Ghaziabad
Date: 24/07/2026

CHHAVI JAIN Digitally signed by CHHAVI JAIN Date: 2026.07.24 16:39:57 +05'30'

(Chhavi Jain)
PARTNER
Mem. No.: A52081
COP No.: 28457
UDIN: A052081H000933445

ANNEXURE - C

Annual Report on CSR Activities

1. Brief outline on CSR Policy of the Company.

Corporate Social Responsibility (CSR) is a company's commitment to address social, ethical and environmental concerns in which it operates and contribute to develop a sustainable society through sustainability initiatives by conducting business in a manner that is beneficial to both, business and society.

IrconLRHL is committed to undertake Corporate Social Responsibility (CSR) activities in accordance with provision of Section 135 of Companies Act, 2013 ("the Act") and Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules"), as amended time to time, and DPE Guidelines, 2014, with the former taking precedence over the later in case of any conflict.

CSR Budget shall be fixed for each financial year with the approval of the Board of Directors. The CSR spending shall be at least 2% or such percentage as defined under the Companies Act, 2013 and rules made thereunder of the average net profits of the company made during the immediately preceding three financial years. Every endeavor shall be made to spend the entire yearly budget on CSR activities in that year itself. The Company may allocate more fund for the CSR activities in any financial year than the amount prescribed under the Act.

The Board shall ensure that the CSR activities undertaken by the Company should be within the scope of the activities as prescribed in Schedule VII of the Act and as amended from time to time.

Those CSR activities, which are closely aligned with the strategy of the Company & the areas where the company has core competence, like creation of infrastructure, the implementation of CSR activity will be taken up with the Company's own manpower & resources, following the due procedure and transparency norms. In such cases evaluation shall be assigned to an independent external agency for sake of objectivity and transparency.
In other cases, where the Company does not have in house expertise, the CSR activities can be undertaken by the Company through:

(a.) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or

(b.) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or

(c.) any entity established under an Act of Parliament or a State legislature.

If any amount spent in excess of requirement as per sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 upto immediate succeeding three financial years subject to the conditions that:

i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any.

ii) the Board shall pass a resolution to that effect.

2. Composition of CSR Committee

In terms of the provisions of sub-section (9) of section 135 of the Companies Act, 2013 and since the CSR budget of the Company for the financial year 2025-26 (i.e. Rs. 7.23 lakhs) did not exceed Rs. 50 lakhs, therefore, the requirement for constitution of the CSR Committee was not be applicable on the Company during the year.

S.No.	Name and designation of Member(s)	No. of Meeting of CSR Committee held during the year*	No. of Meeting of CSR Committee attended during the year*
	Not Applicable		

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.: N.A.

4. Provide the execute summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 if applicable.:

Not applicable for this financial year. Further, none of the Completed CSR activities taken up during FY 2025-26 were of Rs.1 crore or above for which impact assessment is required.

5. (a) **Average net profit of the company as per sub-section (5) of section 135: Rs.3.62 crore.**

(b) **Two percent of average net profit of the company as per section 135(5): Rs.7.23 lakh**

(c) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years: N.A.**

(d) **Amount required to be set off for the financial year, if any: N.A.**

(e) **Total CSR obligation for the financial year [(b)+(c)-(d)]: Rs.7.23 lakh**

6. (Rs. in lakh)

(a) Amount spent on CSR Projects (both Ongoing Projects and other than Ongoing Projects)	**7.23**
(b) Amount spent in Administrative Overheads	**Nil**
(c) Amount spent on Impact Assessment, if applicable	**Nil**
(d) Total amount spent for the Financial Year 2025-26 [(a)+(b)+(c)]	**7.23**

(e) CSR amount spent or unspent for the financial year:

(Rs. in lakh)

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transerred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	**Date of transfer**	**Name of the Fund**	**Amount**	**Date of transfer**
7.23	NIL	NIL	NIL	NIL	NIL

(f) Excess amount for set off, if any

Sl. No.	Particular	Amount (Rs. in lakh)
(1)	**(2)**	**(3)**
(i)	Two percent of average net profit of the company as per section 135(5)	7.23
(ii)	Total amount spent for the Financial Year	7.23
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.00
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.00

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6	7	8
Sl.No	**Preceding Financial Year(s)**	**Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)**	**Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)**	**Amount Spent in the Financial Year (in Rs.)**	**Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any**	**Amount remaining to be spent in succeeding Financial Years (in Rs.)**	**Deficiency, if any**
		Amount (in Rs.)			*Amount (in Rs.)*	*Date of Transfer*	
1	2022-	Nil					

	23	
2	2023-24	
3	2024-25	
Total		**Nil**

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year**:

Yes   No √

If yes, enter the number of Capital assets created/ acquired:- **N.A.**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **N.A.**

Sl.No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	*Name*	Registered address
	Not Applicable						

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).:** **Not Applicable**

For and on behalf of Board of Directors
of Ircon Ludhiana Rupnagar Highway Limited

sd/-

(Surender Singh)
Chairman
DIN: 07654014

Date: 30.07.2026

Place: New Delhi

Rakhecha & Co.
Chartered Accountants

4866/1, Harbans Singh Street,
24, Ansari Road, Darya Ganj,
New Delhi-110002
Ph. : 011-23288542, 43503994
Website : www.carnc.co.in

Independent Auditor's Report

To the Members of IRCON LUDHIANA RUPNAGAR HIGHWAY LIMITED

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **IRCON LUDHIANA RUPNAGAR HIGHWAY LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026 and its loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing ("SA"s) 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 Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS 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 the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our checks and on the basis of information and explanation from the management we have determined that there are no key audit matter to be communicated in our report.

Information other than the Ind AS Financial Statements and Auditor's Report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the Ind AS Financial Statements and our auditor's report thereon. The Board's Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Ind AS financial statements does not cover the other information and we don't not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Standards on Auditing 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 Ind AS financial statements.

As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Ind AS financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

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

Materiality is the magnitude of misstatements in the Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS Financial Statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

Rakhecha & Co. Chartered Accountants New Delhi FRN-00

2.

A. As required by Section 143(3) of the Act, based on our audit we report that:

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

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The balance sheet, the statement of profit and loss (including other comprehensive income/loss), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

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

e. Being a Government Company pursuant to the Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Act, are not applicable to the Company.

f. With respect to the adequacy of the internal financial controls with reference to Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Ind AS Financial Statements.

g. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

Being a government company, provision of section 197 of the Act are not applicable vide notification no. GSR 463 (E) dated 5th June 2015, issued by the Central Government of India.

B. 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:

a. The Company does not have any pending litigation which would have a material impact on its financial position.

b. Based on the assessment made by the company, there are no material foreseeable losses on long term contracts that may require any provisioning. The company did not have any derivative contracts for which there were any material foreseeable losses.

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c. During the year, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d. (i) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 40 (vi) to the Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 40 (vii) to the Ind AS financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

e. The Company has not proposed, declared or paid any final or interim dividend during the period and until the date of this report, therefore, the reporting under this clause is not applicable.

f. Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the financial year ended March 31, 2026 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

3. We are enclosing our report in terms of Section 143(5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the **"Annexure C"** on the directions issued by the Comptroller and Auditor General of India.

For **RAKHECHA & CO.**
Chartered Accountants
Firm's Registration No.: 002990N

Rakhecha & Co. * New Delhi FRN 002990N * Chartered Accountants

ANIL KUMAR
Partner
Membership No.:518544
ICAI UDIN: 26518544BSICSR2204

Place: New Delhi
Date: The 5th day of May 2026

Annexure A
to the Independent Auditor's Report on the Ind AS Financial Statements of **IRCON LUDHIANA RUPNAGAR HIGHWAY LIMITED** for the year ended 31st March, 2026

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

Report on Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of the Company

(i) In respect of the company's Property, Plant and Equipment and Intangible Assets:

a) i) The company has maintained proper records showing full particulars, including quantitative details and situation of property, Plant & Equipment.

ii) The company does not have any intangible assets; hence this clause is not applicable to the company.

b) The Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification.

c) The company does not have any immovable property (other than properties where the company is the lessee and the lease agreement are duly executed in favour of the lessee). Accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the company.

d) The company has not revalued its Property, Plant and Equipment (including Right of Use Assets) during the reporting year.

e) According to information and explanations given to us, no proceedings have been initiated or pending against company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) There is no inventory in the company during the reporting financial year. Accordingly, clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company. The company has not been sanctioned working capital limits at any point of time during the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to any companies, firms, limited liability partnerships or any other parties during the period under audit. In view of the above, the clauses 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f), of the Order are not applicable.

(iv) According to the information and explanations given to us, the Company has not granted any loans or given any guarantee or provided any security covered under section 185 and 186 of the Companies Act, 2013, so this paragraph of the order is not applicable to the Company.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits from the public. Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, in respect Road & Infrastructure projects of the Company. We have broadly reviewed the records and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made any detailed examination of the records with a view to determine whether they are accurate or complete.

(vii)(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31st March, 2026 for a period of more than six months from the date they became payable.

(b) According to the information & explanation given to us, there are no dues of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Custom Duty, Cess and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, the Company does not have any transactions related to previously unrecorded income in the books of the account that have been surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

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

(c) According to the information and explanations given to us by the management, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.

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

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the Company does not have any subsidiary or does not have any ownership interest in any other entity. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company does not have any subsidiary or does not have any ownership interest in any other entity. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Hence, the provisions stated in paragraph 3(x)(b) of the Order are not applicable to the Company. The company has made right issue of equity shares during the reporting financial year and monies received have been, prima facie, applied by the company for the purpose for which they were raised.

Rakhecha & Co. Chartered Accountants New Delhi FRN-0...0N

(xi) (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company nor on the Company has been noticed or reported during the course of our audit.

(b) According to the information and explanations given to us by the management and based on our examination of the records of the Company, no report under sub-section 12 of section 143 of the Act has been filed in Form ADT – 4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government of India, during the year and up to the date of this report.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

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

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.

(xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3 (xvi)(d) of the Order is not applicable.

(xvii) Based on our examination of the books and records of the Company, the Company has incurred cash losses amounting to Rs. 1254.30 lakhs in the current financial year and not incurred cash losses in the immediately preceding financial year.

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

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

(xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The company does not have investment in subsidiaries, associates or joint ventures and therefore, company has not prepared consolidated Ind AS financial statements. Accordingly, reporting under clause (xxi) of the Order is not applicable to the Company.

For **RAKHECHA & CO.**
Chartered Accountants
Firm's Registration No.: 002990N

Rakhecha & Co. New Delhi FRN-002990N Chartered Accountants

ANIL KUMAR
Partner
Membership No.:518544
ICAI UDIN: 26518544BSICSR2204

Place: New Delhi
Date: The 5th day of May 2026

Annexure B
to the Independent Auditor's Report on the Ind AS Financial Statements of **IRCON LUDHIANA RUPNAGAR HIGHWAY LIMITED** for the year ended 31st March, 2026

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls with reference to Ind AS financial statements of Ircon Ludhiana Rupnagar Highway Limited ("the Company") as of 31 March 2026 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Management of the Company is responsible for establishing and maintaining internal financial controls with reference to Ind AS Financial Statements based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Ind AS financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Ind AS financial statements were established and maintained and if such controls operated effectively in all material respects.

Rakhecha & Co. Chartered Accountants New Delhi

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of internal financial controls with reference to Ind AS 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 Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Ind AS financial statements.

Meaning of Internal Financial Controls with Reference to Ind AS Financial Statements

A company's internal financial controls with reference to Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to Ind AS financial statements include 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Ind AS Financial Statements

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

Rakhecha & Co. Chartered Accountants New Delhi

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Ind AS Financial Statements and such internal financial controls with reference to Ind AS Financial Statements were operating effectively as at March 31, 2026, based on the criteria for internal financial control with reference to Ind AS Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **RAKHECHA & CO.**
Chartered Accountants
Firm's Registration No.: 002990N

Rakhecha & Co. New Delhi FRN-002990N Chartered Accountants

ANIL KUMAR
Partner
Membership No.:518544
ICAI UDIN: 26518544BSICSR2204

Place: New Delhi
Date: The 5th day of May 2026

Annexure C

to the Independent Auditor's Report on the Ind AS Financial Statements of **IRCON LUDHIANA RUPNAGAR HIGHWAY LIMITED** for the year ended 31st March, 2026

(Referred to in paragraph 3 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Sl. No.	Directions	Auditor's Replies
1	Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for Post retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulations, reporting any material deviations or misstatements.	The Company does not maintain any Trusts for post-retirement benefits of its employees, and consequently, no investments are held through such Trusts. The gratuity liability for Contract Employees is determined and recognized in the books of accounts based on actuarial valuation and is not separately invested. Since the Post Retirement Benefit funds are maintained and invested by the holding company hence the requirement of the direction dealt by the holding company.
2	Whether the Company has a system in place to process all the accounting transactions through IT system? If yes, whether review of this system and controls that are significant to the Companies' financial reporting process as well as cyber security has been done by Information Security Auditing Organisations empanelled by Cert-In at a minimum frequency of once in a year and material discrepancies found, if any, have been suitably reported? The implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications may also be reported.	The company is using SAP S/4 Hana system to process all the accounting transactions and used for preparation for financial accounts. As per information and explanations provided to us no accounting transaction has been processed outside the IT system except billing to the client for which no financial implication were observed. As the SAP S/4HANA System is maintained by the Holding Company, matters relating to cyber security assurance are addressed at the level of the Holding Company.
3	Whether funds (grants/ subsidy etc.) received/ receivable for specific schemes from Central/State Government or its agencies were properly accounted for as per the applicable accounting standards or norms and whether the received funds were utilised as per its terms and conditions?	No funds have been received/receivables from any Central/State Government or its agencies for any specific schemes during the financial year 2025-2026.

Rakhecha & Co. Chartered Accountants New Delhi FRN

Sl. No.	Directions	Auditor's Replies
	Whether accounting of interest earned on grants received has been done as per terms and conditions of the Grant. List the cases of deviation.	
4	Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks? If yes, (a)whether the Risk Management Policy has been formulated considering global best practices? (b) whether the Company has identified its data assets and whether it has been valued appropriately?	The Company has identified its key risk areas and has formulated a Risk Management Policy to mitigate such risks, duly aligned with the best global practices. The Company's data assets have been identified and valued at the level of the Holding Company.
5	Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERTIN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable? If not, the cases of deviation may be highlighted.	The Company is in compliance with all provisions of the rules and regulations issued by the relevant regulatory authorities, to the extent applicable to it. However, no dividend has been declared, as the Company is currently in the construction phase.

For **RAKHECHA & CO.**
Chartered Accountants
Firm's Registration No.: 002990N

Rakhecha & Co. New Delhi FRN-002990N Chartered Accountants

ANIL KUMAR
Partner
Membership No.:518544
ICAI UDIN: 26518544BSICSR2204

Place: New Delhi
Date: The 5th day of May 2026

Ircon Ludhiana Rupnagar Highway Limited
CIN:-U45309DL2021GOI391675
Balance Sheet as at 31st March 2026
(All amounts in Indian Rupees Lakhs unless otherwise stated)

	Particulars	Note	As at 31st March, 2026	As at 31st March, 2025
I.	**ASSETS**			
1	**Non-Current Assets**			
	(a) Property, Plant and Equipment	3	2.80	0.62
	(b) Financial Assets			
	(i) Other Financial Assets	4	50,873.68	51,081.10
	(c) Deferred Tax Assets (net)	5	313.97	-
	(d) Other Non-Current Assets	6	6,763.73	6,345.39
	Total Non-Current Assets		**57,954.18**	**57,427.11**
2	**Current assets**			
	(a) Financial Assets	7		
	(i) Trade Receivables	7.1	-	-
	(ii) Cash and Cash Equivalents	7.2	90.55	1,082.76
	(iii) Loans		-	-
	(iv) Other Financial Assets	7.3	2,330.44	1,498.55
	(b) Current Tax Assets (Net)	8	118.45	-
	(c) Other Current Assets	9	2,792.04	1,919.09
	Total Current Assets		**5,331.48**	**4,500.40**
	TOTAL ASSETS		**63,285.66**	**61,927.51**
II.	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity Share Capital	10	1,427.00	1,111.00
	(b) Instruments entirely equity in nature	11.1	11,996.00	9,996.00
	(c) Other Equity	11.2	(150.71)	796.44
	Total Equity		**13,272.29**	**11,903.44**
2	**Liabilities**			
	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	12	47,065.00	44,415.00
	(ii) Lease Liabilities		-	-
	(iii) Trade Payables			
	- total outstanding dues of micro enterprises and small enterprises		-	-
	- total outstanding dues of creditors other than of micro enterprises and small enterprises		-	-
	(b) Provisions	13	0.24	-
	(c) Deferred Tax Liabilities (net)	5	-	0.02
	Total Non-Current Liabilities		**47,065.24**	**44,415.02**
3	**Current Liabilities**			
	(a) Financial Liabilities	14		
	(i) Borrowings	14.1	-	-
	(ii) Lease Liabilities		-	-
	(iii) Trade Payables			
	- total outstanding dues of micro enterprises and small enterprises	14.2	1.84	1.68
	- total outstanding dues of creditors other than of micro enterprises and small enterprises	14.2	47.64	2,664.36
	(iv) Other Financial Liabilities	14.4	2,640.95	2,423.43
	(b) Other Current Liabilities	15	257.70	477.43
	(c) Provisions	13	-	-
	(d) Current Tax Liabilities (Net)	16	-	42.15
	Total Current Liabilities		**2,948.13**	**5,609.05**
	TOTAL EQUITY AND LIABILITIES		**63,285.66**	**61,927.51**

Summary of Material Accounting Policies Information — **2**
Notes to Ind AS Financial Statements — **1 to 44**

As per our report of even date attached
For Rakhecha & Co.
Chartered Accountants
ICAI Firm Registration No. : 002990N

Rakhecha & Co. New Delhi FRN-002990N Chartered Accountants

Anil Kumar
Partner
ICAI Membership No. : 518544
UDIN: 26518544BSICSR2204

Place: New Delhi
Date: 05.05.2026

For and on behalf of the Board of Directors

05.05.2026

Sanjay Bisariya
Director
(DIN:-11291128)

Masood Ahmad
Director
(DIN:-09008553)

Vikash Awasthi
Company Secretary
(ACS No. A75801)

Moh'd Hannan
Chief Financial Officer

05.5.2026
Lalit Kumar Verma
Chief Executive Officer

IRCON LUDHIANA RUPNAGAR HIGHWAY LIMITED CIN-U45309DL2021GOI391675

Ircon Ludhiana Rupnagar Highway Limited
CIN:-U45309DL2021GOI391675
Statement of Profit and Loss for the year ended 31st March 2026
(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	Note	For the year ended 31st March 2026	For the year ended 31st March 2025
Income			
Revenue from operations	17	9,873.68	31,756.55
Other income	18	80.02	21.46
Total Income (A)		**9,953.70**	**31,778.01**
Expenses			
Project Expenses	19	7,377.84	28,098.29
Employee benefits expenses	20	98.38	77.15
Finance Costs	21	3,584.37	2,634.89
Depreciation and amortization expenses	3	0.51	0.18
Other expenses	22	147.41	87.67
Total expenses (B)		**11,208.51**	**30,898.18**
Profit/(Loss) before tax (A-B)		**(1,254.81)**	**879.83**
Tax expenses:	5		
Current tax			
- For the year		-	221.40
- For earlier years		5.90	(0.23)
Deferred tax (net)		(313.99)	0.05
		(308.09)	**221.22**
Profit/(Loss) for the year		**(946.72)**	**658.61**
Other comprehensive income/(loss)			
A) Items that will not be reclassified to profit or loss		-	-
Income tax relating to Items that will not be reclassified to profit or loss		-	-
B) Items that will be reclassified to profit or loss		-	-
Income tax relating to Items that will be reclassified to profit or loss		-	-
Other comprehensive income/(loss) for the year (net of tax)		**-**	**-**
Total Comprehensive income/(loss) for the year		**(946.72)**	**658.61**
Earnings per equity share (Face Value Per Equity Share Rs. 10)	26		
Basic (In Rs.)		(7.22)	10.61
Diluted (In Rs.)		(7.22)	10.61
Summary of Material Accounting Policies Information	**2**		
Notes to Ind AS Financial Statements	**1 to 44**		

As per our report of even date attached
For Rakhecha & Co.
Chartered Accountants
ICAI Firm Registration No. : 002990N

Rakhecha & Co. New Delhi FRN-002990N Chartered Accountants

Anil Kumar
Partner
ICAI Membership No. : 518544
UDIN: 26518544BSICSR2204

Place: New Delhi
Date: 05.05.2026

For and on behalf of the Board of Directors

05-05-2026

Sanjay Bisariya
Director
(DIN:-11291128)

Masood Ahmad
Director
(DIN:-09008553)

Vikash Awasthi
Company Secretary
(ACS No. A75801)

Moh'd Hannan
Chief Financial Officer

Lalit Kumar Verma
Chief Executive Officer
05.5.2026

IRCON LUDHIANA RUPNAGAR HIGHWAY LIMITED CIN-U45309DL2021GOI391675

Ircon Ludhiana Rupnagar Highway Limited
CIN:-U45309DL2021GOI391675
Cash Flow Statement for the year ended 31st March 2026
(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars		For the year ended 31st March 2026	For the year ended 31st March 2025
A. Cash flow from operating activities			
Profit before tax		**(1,254.81)**	**879.83**
Adjustments for:			
Depreciation/Amortization		0.51	0.18
Interest Income		(80.02)	(3.67)
Interest Expenses		3,584.37	2,634.89
Loss on disposal of assets		0.03	-
Bad Debts		-	-
Tax for the Earlier Years		-	-
Operating profit before working capital changes		**2,250.08**	**3,511.23**
Movements in working capital:			
Increase/(decrease) in other non-current liability		-	-
Increase/(decrease) in other current financial liabilities		217.36	2,171.38
Increase/(decrease) in Current Trade Payables		(2,616.56)	(7,213.04)
Increase/(decrease) in other non-current financial liabilities		-	-
Increase/(decrease) in other current liability		(219.73)	(32.66)
Increase/(decrease) in non-current provisions		0.24	-
Increase/(decrease) in current provisions		-	-
Decrease/(increase) in trade receivables		-	5,752.87
Decrease/(increase) in inventories		-	-
Decrease/(increase) in non current financial loans		-	-
Decrease/(increase) in Loans & current and non current financial assets		(624.82)	(27,283.85)
Decrease/(increase) in other Non-current assets		-	-
Decrease/(increase) in other current & Non- Current assets		(1,291.28)	(3,795.58)
Decrease/(increase) in Current tax assets		-	-
Cash Generated from Operation		**(2,284.71)**	**(26,889.65)**
Less : Income Tax (Paid)/refund		(166.50)	366.40
Net cash flow from/(used in) operating activities	**(A)**	**(2,451.21)**	**(26,523.25)**
B. Cash flows from investing activities			
Purchase of Plant, Property and Equipments		(2.87)	(0.80)
Sale of Plant, Property and Equipments		0.15	-
Interest income		80.37	3.63
Net cash flow from/(used in) investing activities	**(B)**	**77.65**	**2.83**
C. Cash flow from financing activities			
Proceeds from borrowings		2,650.00	24,715.00
Proceeds from fresh issue of share capital		316.00	749.00
Share Issue expenses		(0.43)	(1.23)
Interest expenses		(3,584.22)	(2,629.24)
Quasi Equity from Ircon International Limited		2,000.00	4,554.00
Net cash flow from/(used in) in financing activities	**(C)**	**1,381.35**	**27,387.53**
Net increase/(decrease) in cash and cash equivalents	**(A + B +C)**	(992.21)	867.11
Cash and cash equivalents at the beginning of the period		1,082.76	215.65
Closing cash and cash equivalents		**90.55**	**1,082.76**

Rakhecha & Co. New Delhi FRN-002990N Chartered Accountants

CEO/IRNR

IRCON LUDHIANA RUPNAGAR HIGHWAY LIMITED CIN-U45309DL2021GOI391675

Notes:

1. Figures in brackets indicate cash outflow
2. The Statement of Cash flows has been prepared under the Indirect method set out in Ind AS-7 'Statement of Cash Flow' notified under the Companies (Indian Accounting Standards) Rules, 2015.

3. Reconciliation of Cash and Cash Equivalents and Components of Cash and Cash Equivalents included in the above Statement of Cash Flows :

Particulars	As at 31st March, 2026	As at 31st March, 2025
Components of cash and cash equivalents		
- Cash on hand	-	-
- With banks in current account	25.55	310.76
- Deposit with original maturity of less than 3 months	65.00	772.00
Total cash and cash equivalents as per Balance Sheet and Statement of Cash Flows	**90.55**	**1,082.76**

4. Reconciliation of Liabilities arising from financing activities

As at 31.03.2026

Particulars	Loan From Bank	Interest on Loan
Opening balances	44,415.00	10.03
Cash flows:		
- Repayments	-	(3,584.23)
- Interest Accrued	-	3,584.37
- Proceeds	2,650.00	-
Closing balances	**47,065.00**	**10.17**

As at 31.03.2025

Particulars	Loan From Bank	Interest on Loan
Opening balances	**19,700.00**	4.38
Cash flows:		
- Repayments	-	(2,629.24)
- Interest Accrued		2,634.89
- Proceeds	24,715.00	-
Closing balances	**44,415.00**	**10.03**

Summary of Material Accounting Policies Information 2
Notes to Ind AS Financial Statements 1 to 44

As per our report of even date attached
For Rakhecha & Co.
Chartered Accountants
ICAI Firm Registration No. : 002990N

Rakhecha & Co. New Delhi FRN-002990N Chartered Accountants

Anil Kumar
Partner
ICAI Membership No. : 518544
UDIN: 26518544BSICSR2204

Place: New Delhi
Date: 05.05.2026

For and on behalf of the Board of Directors

05-05-2026

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IRCON LUDHIANA RUPNAGAR HIGHWAY LIMITED CIN-U45309DL2021GOI391675

Ircon Ludhiana Rupnagar Highway Limited
CIN:-U45309DL2021GOI391675
Statement of changes in equity for the year ended 31st March 2026
(All amounts in Indian Rupees Lakhs unless otherwise stated)

(a) Equity Share Capital

Particulars	Amount
Balance as at 01st April, 2024	362.00
Changes in equity share capital during the year	749.00
Balance as at 31st March 2025	**1,111.00**
Balance as at 01st April, 2025	**1,111.00**
Changes in equity share capital during the quarter	316.00
Balance as at 31st March 2026	**1,427.00**

(b) Instruments entirely equity in nature

Particulars	Amount
Balance as at 01st April, 2024	**5,442.00**
Changes in Instruments during the year	4,554.00
Balance as at 31st March 2025	**9,996.00**
Balance as at 01st April, 2025	9,996.00
Changes in Instruments during the year	2,000.00
Balance as at 31st March 2026	**11,996.00**

(c) Other Equity

Particulars	Reserves & Surplus	Other Comprehensive Income	Total Amount
	Retained Earnings		
Balance as at 01st April, 2024	**139.06**	-	**139.06**
Profit/(Loss) for the year	658.61	-	658.61
Other Comprehensive income	-	-	-
Total Comprehensive Income for the year	**658.61**	-	**658.61**
Share Issue expenses	(1.23)	-	(1.23)
Balance as at 31st March 2025	**796.44**	-	**796.44**
Balance as at 1st April 2025	**796.44**	-	**796.44**
Profit/(Loss) for the year	(946.72)	-	(946.72)
Other comprehensive income for the period	-	-	-
Total comprehensive income for the year	**(946.72)**	-	**(946.72)**
Share Issue expenses	(0.43)	-	(0.43)
Balance as at 31st March 2026	**(150.71)**	-	**(150.71)**

Summary of Material Accounting Policies Information 2
Notes to Ind AS Financial Statements 1 to 44

As per our report of even date attached
For Rakhecha & Co.
Chartered Accountants
ICAI Firm Registration No. : 002990N

Rakhecha & Co. New Delhi FRN-002990N Chartered Accountants

Anil Kumar
Partner
ICAI Membership No. : 518544
UDIN: 26518544BSICSR2204

Place: New Delhi
Date: 05.05.2026

For and on behalf of the Board of Directors

05.05.2026
Sanjay Bisariya
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IRCON LUDHIANA RUPNAGAR HIGHWAY LIMITED CIN-U45309DL2021GOI391675

Ircon Ludhiana Rupnagar Highway Limited
CIN:-U45309DL2021GOI391675
Summary of Corporate Information & Material Accounting Policies for the Year Ended 31st March, 2026

1. Corporate Information

Ircon Ludhiana Rupnagar Highway Limited (the "Company") is domiciled and incorporated in India and is a wholly owned subsidiary of Ircon International Limited (IRCON), public sector construction company domiciled in India. The Company (CIN:-U45309DL2021GOI391675) is incorporated under the provisions of the Companies Act, 2013 applicable in India.

The Company came into existence when IRCON was awarded the work of upgradation & Construction of four/six lane greenfield Ludhiana-Rupnagar National highway no NH-205K from junction with NE-5 village near Manewal (Ludhiana) to junction with NH-205 near Bheora Village (Rupnagar) including spur to Kharar with Ludhiana bypass under Bharatmala Pariyojana in the State of Punjab on Hybrid Annuity Mode: Package-3 (Design Ch.66.440 to Design Ch.90.500 and spur to kharar Design Ch. Under Hybrid Annuity Model (HAM).The Concession period is 15 years from Commercial Operation Date (COD) and Construction period is 730 days from Appointed Date. The registered office of the company is located at C-4, District Centre, Saket, New Delhi- 110017.

The financial statements are approved for issue by the Company's Board of Directors in their meeting held on 05.05.2026.

2. Material accounting policies

2.1. Basis of preparation of Financial Statements

i. Statement of compliance
The Financial Statements of the Company have been prepared on going concern basis following accrual system of accounting and in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from 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 financial statements.

ii. Basis of measurement

The Financial Statements have been prepared under the historical cost convention except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value.

iii. Functional and Presentation Currency
These Financial Statements are presented in Indian Rupees (INR) which is the Company's functional currency. All amounts have been rounded to the nearest Lakhs up to two decimals except for per share data, unless otherwise stated.

2.2. Summary of material accounting policies

A summary of the material accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

2.2.1. Current and non-current classification

Based on the time involved between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has determined twelve months as its operating cycle for the purpose of classification of its assets and liabilities as current and non-current in the balance sheet.

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

Rakhecha & Co. Chartered Accountants New Delhi FRN-002990N

Ircon Ludhiana Rupnagar Highway Limited CIN-U45309DL2021GOI391675

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2.2.2. Property, plant and equipment

Property, plant and equipment are initially stated at their cost.
The cost of an item of property, plant and equipment includes:

(a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
(b) Cost directly attributable to the acquisition of the asset which incurred in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment are subsequently measured at cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation on property, plant and equipment is provided on straight line basis over the estimated useful lives of the assets as specified under part C of schedule II of the Companies Act, 2013 and disclosed in the notes to accounts. The residual values is not more than 5% of the original cost of assets.

Property plant and equipment acquired during the period, individually costing up to ₹5000/- are fully depreciated, by keeping Re. 1 as token value for identification. However, Mobile phones provided to employees are charged to statement of profit and loss irrespective of its value.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

2.2.3. Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset.

2.2.4. Revenue Recognition

The Company derives revenues primarily from the Service Concession Arrangement comprising the construction and operation & maintenance services pertaining to an infrastructure (Road) on Hybrid Annuity Mode.

i. Revenue from Service Concession Arrangement

The Company's contracts with the Customers for the construction and operation & maintenance services under the Service Concession Arrangement (SCA) are accounted for as a single performance obligation as contract is negotiated as a package with a single commercial objective and involves complex integration of construction and maintenance services.

Revenue is recognised over the time using input method (i.e., percentage-of-completion method) which is consistent with the transfer of control to the customer because there is a direct relationship between the Company's effort (i.e., cost incurred) and the transfer of service to the customer. Under input method, contract revenue is recognized as revenue by reference to the stage of completion as at the reporting date. The stage of completion is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation. However, where the Company is not be able to reasonably measure the outcome of a performance obligation, but the Company expects to recover the costs incurred in satisfying the performance obligation, the Company recognises revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation. A cumulative catch-up adjustment would be

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recognized in the period in which the entity is able to reasonably measure its progress. Changes to total estimated contract costs, if any, are recognised in the period in which they are determined as assessed at the contract level.

Any expected losses on contracts in progress are charged to statement to profit & Loss, in total, in the period the losses are identified.

Revenue is measured at the transaction price that is allocated to the performance obligation and is adjusted for variable considerations. Variability in the transaction price arises primarily due to liquidated damages, price variation clauses, incentives, change in law etc. The Company recognizes revenue for variable consideration when it is probable that a significant reversal in the amount cumulative revenue recognized will not occur. The company estimates the amount of revenue to be recognized on variable consideration using most likely amount method. Consequently, amounts allocated to a satisfied performance obligation are recognised as revenue, or as a reduction of revenue, in the period in which the transaction price changes.

Contract balances

Contract assets

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 recognised for the earned consideration that is conditional. The portion of the payments retained by the customer until final contract settlement is not considered a significant financing component since it is usually intended to provide customer with a form of security for Company's remaining performance as specified under the contract, which is consistent with the industry practice.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Trade receivable are recognised initially at the transaction price as they do not contain significant financing components. The Company hold the trade receivable with the objective of collecting the contractual cash flows and therefore measure them subsequently at amortised cost using the effective interest rate method less loss allowance.

Contract liabilities

If a customer pays consideration before the Company 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 Company performs under the contract.

Financial Assets Under Service Concession Arrangements (Appendix C to Ind AS 115 – Revenue from Contracts with Customers)

The Company recognise a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor ("NHAI") for the construction services and Operation & Maintenance services.

Such financial assets are initially measured at fair value and subsequently at amortized cost using the Effective Interest Rate (EIR) method.

ii. Other income

Interest income is recognized using Effective Interest rate method.

All other income is accounted on accrual basis when no significant uncertainty exists regarding the amount that will be received.

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IRCON LUDHIANA RUPNAGAR HIGHWAY LIMITED CIN-U45309DL2021GOI391675

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2.2.5. Borrowing cost

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds and are charged to statement of profit and loss in the period in which they are incurred except when it meets the criteria for capitalisation as part of qualifying assets as per Ind AS 23.

2.2.6. Taxes

Tax expense comprises current tax and deferred income tax.

i. Current income Tax

Current tax is determined as the tax payable in respect of taxable income for the period and is computed in accordance with relevant tax regulations.

Current income tax is recognized in statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

ii. Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

2.2.7. Employee Benefits

i. Short Term Employee Benefits

Employee benefits such as salaries and wages, short term compensated absences, and Performance Related Pay (PRP) falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and undiscounted amount of such benefits are expensed in the statement of profit and loss in in the period in which the employee renders the related services.

ii. Post-employment benefits & other Long Term Employee Benefits

The employees of the Company are on deputation from Ircon International Limited, Holding Company. The post employee benefits & other long term employee benefits includes gratuity, provident fund, post- retirement medical facility, pension, leave encashment and leave travel concession.

As per arrangement with the Ircon International Limited, Holding Company, the cost in relation to post employee & other long term Employee Benefits will be reimbursed to the holding Company on the basis of fixed contribution based on basic pay and dearness allowance for the period of services rendered in the Company.

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The company's liability with respect to the long term employee benefit for employees on deputation from holding company is limited to the extent of fixed contribution to be paid to the holding company. Actual settlement of the long term employee liability will be the responsibility of holding company.

Liability for contractual employees in respect of gratuity is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at each reporting date and the calculation is performed by an independent actuary using the projected unit credit method.

Re-measurement, comprising actuarial gains and losses, is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to statement of profit and loss.

2.2.8. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes unrestricted cash and short-term deposits with original maturities of three months and less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

2.2.9. Contingent liabilities & contingent assets

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation or present obligations that may but probably will not, require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent assets

Contingent assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

2.2.10. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

Company as a lessee

Short Term leases

The company has elected not to recognise ROU and lease liabilities for short term leases that have a lease term of twelve months or less. The company recognises lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.2.11. Financial instruments

The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

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IRCON LUDHIANA RUPNAGAR HIGHWAY LIMITED CIN-U45309DL2021GOI391675

i. Financial assets

a) Initial recognition and measurement

All financial assets (excluding trade receivables which do not contain a significant financing component, being measured at transaction price) are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of financial asset. Transaction costs directly attributable to the acquisition of financial assets carried at fair value through profit or loss are expensed in statement of profit and loss.

b) Subsequent measurement

Subsequent measurement of financial asset depends on the Company business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its financial asset as:

Financial assets at amortised cost

After initial measurement, the financial assets that are held for collection of contractual cash flows where those cash flow represent solely payments of principal and interest (SPPI) on the principal amount outstanding are measured at amortised cost using the effective interest rate (EIR) method. Interest income from these financial assets is included in other income.

Impairment of financial assets

The Company applies the expected credit loss (ECL) model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, and other contractual rights to receive cash or other financial asset.
For trade receivables and contract assets, the Company follows 'simplified approach' and measures the loss allowance at an amount equal to lifetime expected credit losses.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

c) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset, and the transfer qualifies for derecognition under Ind AS 109.

The difference between the carrying amount and the amount of consideration received / receivable is recognised in the statement of profit and loss.

ii. Financial liabilities

a) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of borrowings, net of directly attributable transaction costs.

The Company's financial liabilities include borrowings, trade and other payables and other financial liabilities.

b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

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Financial liabilities at amortized cost

After initial recognition, borrowings, trade payables and other financial liabilities are subsequently measured at amortised cost using the EIR (Effective Interest Rate) method. 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 EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

c) Derecognition of financial liabilities

A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.2.12. Fair value measurement

The company measures financial instruments at fair value at each reporting period.

All assets and liabilities for which fair value is measured, are disclosed in the financial statements. Such assets and liabilities are categorised within the level 3 (Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable) of fair value hierarchy.

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

2.2.13. Earnings Per Share

In determining basic earnings per share, the company considers the net profit attributable to equity shareholders. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

In determining diluted earnings per share, the net profit attributable to equity shareholders and weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

2.2.14. Prior Period Adjustment

Errors / omissions discovered in the current year relating to prior periods are treated as immaterial and adjusted during the current year, if all such errors and omissions in aggregate does not exceed 0.50% of total operating revenue as per last audited financial statement of the Company.

2.2.15. Significant accounting estimates and judgements

The preparation of Financial Statements requires the management to make judgements, accounting estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Significant areas of estimation and judgements as stated in the respective accounting policies that have the most significant effect on the financial statements are as follows:

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New Delhi
FRN-008990N
Chartered Accountants

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i. Allowances for uncollected trade receivables

Trade receivables do not carry interest and are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amount are based on ageing of the receivable's balances and historical experiences. Individual trade receivables are written off when management deems not be collectible.

ii. Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the company. There are certain obligations which managements have concluded based on all available facts and circumstances are not probable of payment or difficult to quantify reliably and such obligations are treated as contingent liabilities and disclosed in notes Although there can be no assurance of the final outcome of legal proceedings in which the company is involved. it is not expected that such contingencies will have material effect on its financial position of probability.

iii. Impairment of financial assets

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

iv. Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments that will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. The company establishes provisions, based on reasonable estimates.

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

v. Impairment of non-financial assets

The entity assesses at each reporting date whether there is an indication that an asset may be impaired. Determining the recoverable amount of the assets is judgmental and involves the use of significant estimates and assumptions. The estimates are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and do not reflect unanticipated events and circumstances that may occur.

vi. Revenue recognition

The company's revenue recognition policy, which is set out in Note 2.2.4 is central to how the company values the work it has carried out in each financial year.

These policies require forecasts to be made of the outcomes of Contracts, which require, assessments and judgements to be made on changes in scope of work and claims and variations.

The Company has incorporated significant judgements over contractual entitlements for long term project. The range of potential outcomes could result in a materially positive or negative change to underlying profitability and cash flow.

Estimates are also required with respect to the below mentioned aspects of the contract:

- Determination of stage of completion
- Estimation of project completion date
- Provisions for foreseeable loses
- Estimated total revenues and estimated total costs to completion, including claims and variations.

These are reviewed at each reporting date and adjust to reflect the current best estimates.

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IRCON LUDHIANA RUPNAGAR HIGHWAY LIMITED CIN-U45309DL2021GOI391675

Ircon Ludhiana Rupnagar Highway Limited
CIN:-U45309DL2021GOI391675
Notes to Ind-AS financial statements for the year ended 31st March 2026
(All amounts in Indian Rupees Lakhs unless otherwise stated)

3 Property, Plant and Equipment

Particulars	Computers	Office Equipments	Furniture & Fixtures	Total
Gross Carrying Amount (At Cost)				
As at 01st April 2024	-	-	-	-
Additions	0.80	-	-	0.80
Disposals/Adjustments	-	-	-	-
Transfer to Asset held for sale	-	-	-	-
Exchange Gain/ Loss	-	-	-	-
As at 31st March 2025	**0.80**	**-**		**0.80**
As at 1st April 2025	**0.80**	-	-	**0.80**
Additions	0.85	1.27	0.75	2.87
Disposals/Adjustments	(0.26)	-	-	(0.26)
Transfer to Asset held for sale	-	-	-	-
Exchange Gain/ Loss	-	-	-	-
As at 31st March 2026	**1.39**	**1.27**	**0.75**	**3.41**
Depreciation and Impairment				
As at 01st April 2024	-	-	-	-
Depreciation charge for the period	0.18	-	-	0.18
Impairment	-	-	-	-
Disposals/Adjustments	-	-	-	-
Transfer to Asset held for sale	-	-	-	-
Exchange Gain/ Loss	-	-	-	-
As at 31st March 2025	**0.18**	**-**	**-**	**0.18**
As at 1st April 2025	**0.18**	-	-	**0.18**
Depreciation charge for the period	0.42	0.08	0.01	0.51
Impairment	-	-	-	-
Disposals/Adjustments	(0.08)	-	-	(0.08)
Transfer to Asset held for sale	-	-	-	-
Exchange Gain/ Loss	-	-	-	-
As at 31st March 2026	**0.52**	**0.08**	**0.01**	**0.61**
Net book value				
As at 31st March 2026	**0.87**	**1.19**	**0.74**	**2.80**
As at 31st March 2025	**0.62**	**-**	**-**	**0.62**

Note:

(i) Depreciation is provided based on useful life of assets which is in line with the useful life prescribed in schedule II of the Companies Act, 2013 and disclosed as under:

Asset Class	Useful life adopted and as per Schedule II (in years)
Computer	3
Furniture & Fixtures	10
Office Equipments	5

(ii) There is no class of assets where the Company uses different useful life than those prescribed in Schedule II of the Companies Act, 2013.

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(All amounts in Indian Rupees Lakhs unless otherwise stated)

4 Other Non-Current Financial Assets

Particulars	As at 31st March, 2026	As at 31st March, 2025
(Unsecured and considered good)		
Security Deposit	-	-
Contract Assets:		
Contract Assets under Service Concession Arrangement	50,873.68	51,081.10
Total	**50,873.68**	**51,081.10**

5 Deferred Tax Assets (Net)

A) The major components of income tax expense for the year ended 31st March 2026 & year ended 31st March 2025: -

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Current income tax		
Current Period income tax charge	-	221.40
Tax for earlier years	5.90	(0.23)
Deferred tax		
Relating to origination and reversal of temporary differences	(313.99)	0.05
Income tax expense reported in the Statement of Profit and Loss section	**(308.09)**	**221.22**

B) The reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March 2026 and 31st March 2025: -

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
1. Accounting Profit/(Loss) before tax	(1,254.81)	879.83
2. Corporate tax rate as per Income tax Act, 1961	25.17%	25.17%
3. Tax on accounting profit	-	221.44
4. Adjustments for tax purposes		
A. Non-deductible expenses for tax purposes		
(a) Interest on delay in payment of TDS	-	0.01
B. Deductible expenses for tax purposes		
(a) Pre-incorporation expenses (allowable)/non allowable	-	(0.01)
(b) Depreciation impact	-	(0.04)
(c) Provision for Gratuity	-	-
C. Deferred tax expenses / (income)	(313.99)	0.05
D. Tax adjustments for earlier years	5.90	(0.23)
Total effect of tax adjustments	**(308.09)**	**(0.22)**
5. Income tax expense reported in the statement of profit and loss (3+4)	**(308.09)**	**221.22**
6. Effective tax rate	**24.55%**	**25.14%**

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IRCON LUDHIANA RUPNAGAR HIGHWAY LIMITED CIN-U45309DL2021GOI391675

(All amounts in Indian Rupees Lakhs unless otherwise stated)

C) Component of deferred tax assets and (liabilities) in Balance Sheet and Statement of Profit and Loss

Particulars	Statements of Profit and Loss 31-Mar-26	Balance Sheet 31-Mar-26	Statements of Profit and Loss 31-Mar-25	Balance Sheet 31-Mar-25
Pre-incorporation expense	0.02	-	0.01	0.02
Carry forward losses	(313.94)	313.94	-	-
Provision for Gratuity	(0.06)	0.06	-	-
Difference between Book depreciation and Tax depreciation	(0.01)	(0.03)	0.04	(0.04)
Net deferred tax Assets/(Liabilities)	**(313.99)**	**313.97**	**0.05**	**(0.02)**

D) Reflected in the Balance Sheet as follows:

Particulars	As at 31st March, 2026	As at 31st March, 2025
Deferred tax assets	314.00	0.02
Deferred tax liabilities	(0.03)	(0.04)
Deferred Tax Assets/(Liabilities) (Net)	**313.97**	**(0.02)**

E) Reconciliation of deferred tax (liabilities) / assets:

As at 31st March 2026

Particulars	Balance As at 1st April 2025 (Net)	Recognised in Statement of Profit and Loss	Recognised in OCI	Balance As at 31st March 2026 (Net)
Pre-incorporation expense	0.02	(0.02)	-	(0.00)
Carry forward losses	-	313.94	-	313.94
Provision for Gratuity	-	0.06	-	0.06
Difference between Book depreciation and Tax depreciation	(0.04)	0.01	-	(0.03)
Net deferred tax Assets/(Liabilities)	**(0.02)**	**313.99**	**-**	**313.97**

As at 31st March 2025

Particulars	Balance As at 1st April 2024 (Net)	Recognised in Statement of Profit and Loss	Recognised in OCI	Balance As at 31st March 2025 (Net)
Pre-incorporation expense	0.03	(0.01)	-	0.02
Carry forward losses	-	-	-	-
Provision for Gratuity	-	-	-	-
Difference between Book depreciation and Tax depreciation	-	(0.04)	-	(0.04)
Net deferred tax Assets/(Liabilities)	**0.03**	**(0.05)**	**-**	**(0.02)**

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Ircon Ludhiana Rupnagar Highway Limited
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(All amounts in Indian Rupees Lakhs unless otherwise stated)

6 Other Non-Current Assets

Particulars	As at 31st March, 2026	As at 31st March, 2025
Others		
- Balance with Government Authorities (GST Input)	6,763.73	6,345.39
Total	**6,763.73**	**6,345.39**

7 Current Assets - Financial Assets

7.1 Trade Receivables

Particulars	As at 31st March, 2026	As at 31st March, 2025
Secured considered good	-	-
Unsecured considered good	-	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables-credit impaired	-	-
	-	-
Less: Impairment allowance for doubtful trade receivables	-	-
Total	-	-

Note:

Trade Receivable Ageing Schedule for based on posting date the year ended as at 31st March 2026 and 31st March 2025

For the year ended 31st March 2026

Particulars	Unbilled	Not Due	Outstanding for the year ended March 31st, 2026 from posting date					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Less: Impairment Allowance	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

For the year ended 31st March 2025

Particulars	Unbilled	Not Due	Outstanding for the year ended March 31st, 2025 from posting date					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Less: Impairment Allowance	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

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7.2 Current Financial Assets - Cash and Cash Equivalents

Particulars	As at 31st March, 2026	As at 31st March, 2025
Balances with banks:		
Earmarked Funds*		
- On current accounts	25.55	310.76
- Deposits with original maturity of less than 3 months	65.00	772.00
Total	**90.55**	**1,082.76**

* The bank account is an Escrow Account as per Concession Agreement with NHAI. Short-term deposits are made for varying periods of between seven days and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

7.3 Current Assets - Other Financial Assets

Particulars	As at 31st March, 2026	As at 31st March, 2025
(Unsecured and considered good)		
Security Deposit	-	-
Contract Assets:		
- Contract Assets under Service Concession Agreement	-	-
- Money Withheld by Client	2,324.75	1,442.82
Interest accrued on fixed deposit	0.03	0.38
Recoverables from Holding Company	5.66	55.35
Total	**2,330.44**	**1,498.55**

8 Current Tax Assets (Net)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Taxes Paid including TDS and Advance Tax (Net of provision for tax)	118.45	-
Total	**118.45**	**-**

9 Other Current Assets

Particulars	As at 31st March, 2026	As at 31st March, 2025
(Unsecured and considered good)		
Advances to		
- Contractors (Holding Co)	1,471.65	-
Others:		
- Balance with Government Authorities (GST Input)	1,211.51	1,847.20
- Balance with Government Authorities (TDS)	25.59	-
- Prepaid Expenses	83.29	71.89
Total	**2,792.04**	**1,919.09**

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10 Equity Share Capital

Particulars	As at 31st March, 2026	As at 31st March, 2025
Authorised Share Capital 14500000 equity shares of Rs.10/- each (31.03.2025 14500000 equity shares of Rs. 10/- each)	1,450.00	1,450.00
Issued, subscribed and fully paid-up shares 14270000 equity shares of Rs.10/- each (31.03.2025 11110000 equity shares of Rs. 10/- each)	1,427.00	1,111.00
Total issued, subscribed and fully paid-up share capital	**1,427.00**	**1,111.00**

(a) Promoter's shareholding

Particulars	Shares held by Promoter at the end of the year			% change during the year
	Promoter Name	No. of shares	% of total shares	
As at 31st March, 2026	Ircon International Limited	1,42,70,000	100%	-
Outstanding at the end of the year		**1,42,70,000**	**100%**	-
As at 31st March, 2025	Ircon International Limited	1,11,10,000	100%	-
Outstanding at the end of the year		**1,11,10,000**	**100%**	-

(b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31st March, 2026		As at 31st March, 2025	
	No. of Shares	Amount in Lakhs	No. of Shares	Amount in Lakhs
At the beginning of the year	1,11,10,000	1,111.00	36,20,000	362.00
Issued during the period	31,60,000	316.00	74,90,000	749.00
Outstanding at the end of the year	**1,42,70,000**	**1,427.00**	**1,11,10,000**	**1,111.00**

(c) Terms/ rights attached to equity shares

(i) Voting

The Company has only one class of equity shares having a par value of 10 per share. Each holder of equity share is entitled to one vote per share.

(ii) Liquidation

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Dividend

The Company has not proposed, declared or paid any final or interim dividend during the period and until the date of board meeting in which this financial statement has been approved.

(d) The Company has allotted 31,60,000 Equity Shares as on 12th August, 2025 at a price of Rs. 10 per Equity Share (at a premium of Rs. Nil per Equity Share) by way of a Right issue after approval from the Board of Directors at Board Meeting held on 29th July, 2025.

The Company has allotted 74,90,000 Equity Shares as on 25th November, 2024 at a price of Rs. 10 per Equity Share (at a premium of Rs. Nil per Equity Share) by way of a Right issue after approval from the Board of Directors at Board Meeting held on 29th October, 2024.

(e) Details of shareholders holding more than 5% shares in the Company:

Particulars	As at 31st March, 2026		As at 31st March, 2025	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity Shares of Rs. 10 each fully paid Ircon International Limited and its nominees*	1,42,70,000	100%	1,11,10,000	100%

**** 600 equity shares hold by nominee shareholders on behalf of the holding company.***

(f) Holding Company "M/s Ircon International Limited" is public sector construction company, holding 100% Equity Share of the company.

11.1 Instruments entirely equity in nature*

Particulars	As at 31st March, 2026	As at 31st March, 2025
Opening Balance	9,996.00	5,442.00
Add: Changes in Instruments during the year	2,000.00	4,554.00
Closing Balance	**11,996.00**	**9,996.00**

* Quasi Equity (Interest free Loan From Ircon)

i) Nature and Purpose:

Quasi Equity

Quasi equity represent equity contribution from the Holding Company in form of interest free loan. The Company does not have any repayment obligation and are defined as "Equity" in the Concession Agreement with NHAI. Accordingly, these are considered to be in the nature of equity instruments.

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11.2 Other Equity

Particulars	As at 31st March, 2026	As at 31st March, 2025
Retained Earnings	(150.71)	796.44
Total	**(150.71)**	**796.44**

i) Movement as per below:
Retained Earnings

Particulars	As at 31st March, 2026	As at 31st March, 2025
Opening Balance	796.44	139.06
Transfer from surplus in statement of profit and loss	(946.72)	658.61
Share issue expenses	(0.43)	(1.23)
Closing Balance	**(150.71)**	**796.44**

ii) Nature and Purpose:
Retained Earnings
Retained Earnings represents the undistributed profits of the Company.

12 Non Current Financial Liabilities - Borrowings

Particulars	As at 31st March, 2026	As at 31st March, 2025
Term Loan Secured*		
From Banks	47,065.00	44,415.00
Less: Current Maturity of Long term debt (Refer note no 14.1)	-	-
Total	**47,065.00**	**44,415.00**

(i) The Bank of Baroda (BOB) has sanctioned the term loan of Rs. 57,082 lakh. During the year Term loan of Rs. 2,650 lakh (Previous Year Rs 24,715 lakh) was disbursed.
(ii) Details of Terms and Conditions:
(i) Interest rate to be charged on loan shall be MCLR Plus spread of 0.09% with monthly rest. Presently, the applicable interest rate is 7.89% p.a.
(ii) Moratorium of 6 months from the date of PCOD/COD.
(iii) Term Loan shall be repayable in 26 structured half-yearly installments, with the first repayment starting from the end of 6 months from the SCOD or COD whichever is earlier.
(iv) Interest shall be paid monthly basis on the last day of calender month.
(v) Corporate Guarantee of the Promoter i.e.Ircon International Limited (AAA Rated) shall be available till the receipt of 1st annuity from NHAI or COD + 180 days, whichever is later.
(vi) **Security:** The Facility together with all interest fees, commission and other monies whatsoever stipulated and due to the lender shall be secured, to the extent permitted under the Concession Agreement, by:

·A first mortgage and charge on all the Borrower's immovable properties (if any), both present and future, save and except the Project Assets;

·First charge on all the Borrower's tangible moveable assets, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixture, vehicles and all other movable assets, both present and future, save and except the Project Assets;

·First charge over all accounts of the borrower including Escrow Account and the Sub-Accounts (or any account in substitution thereof) that may be opened in accordance with the Concession Agreement, Facility Agreement, Escrow Agreement and the Supplementary Escrow Agreement, or any of the other Project Documents and all funds from time to time deposited therein, the Receivables and or other securities, provided that;

·The same being applied to the extent of waterfall of priority of payment as specified the Concession Agreement and the Escrow Agreement and not beyond that; and

All the charge over the Receivables shall be enforceable by the Senior Lenders for the purpose of ensuring that the Receivables are credited to the Escrow Account for the purpose of being applied to the extent of waterfall of priority of payments are specified in the Concession Agreement and the Escrow Agreement and not beyond that.
First charge on all intangible assets of the Borrower including but not limited to goodwill, rights, undertakings and uncalled capital present and future excluding the Project Assets (provided that all amounts received on account of any of these shall be deposited in the Escrow Account and the charges on the same shall be subject to the extent permissible as per priority specified the Concession Agreement and Escrow Agreement). Further, a charge on uncalled capital, as set in above, shall be subject however to the provisions of the concession Agreement;

First charge or assignment by way of Security in;
·All the right, title, interests, benefits, claims and demands whatsoever of the borrower in, to and under the Project Documents;
·The right, tittle, interests, benefits, claims, and demands whatsoever of the Borrower in, to and under all the Approvals
·All the right, title, interest, benefits, claim and demands whatsoever of the Borrower in, to and under any letter of credit, guarantees including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents; and
·All the rights, title, interests, benefits, claims and demands whatsoever of the Borrower in, to and under all the insurance Contacts.

13 Provisions

Particulars	As at 31st March, 2026	As at 31st March, 2025
Provision for		
- Employee Benefits	0.24	-
Total	**0.24**	**-**
Current	-	-
Non-Current	0.24	-

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(All amounts in Indian Rupees Lakhs unless otherwise stated)

Note: Provision fo Employee Benefits :

a. The provisions are created for the purpose of Gratuity of contractual employees.

b. Disclosures as per Ind AS 19 'Employee benefits' are provided in Note no. 24.

c. Movement in the carrying value of provisions for employee benefits are provided as below:

Particulars	Provision for Gratuity
As at 31st March, 2025	**-**
Current	-
Non Current	-
Provision made during the year	0.24
Less: Utilisation during the year	-
Less: Writtenback during the year	-
Actuarial Gain/Loss	-
As at 31st March, 2026	**0.24**
Current	-
Non Current	0.24

14 Current Liabilities - Financial Liabilities

14.1 Current Liabilities - Borrowings

Particulars	As at 31st March, 2026	As at 31st March, 2025
Current Maturity of Long term debt (Refer note no 12)		
- Term loans from bank (Secured)	-	-
Total	**-**	**-**

*** For detailed terms & conditions refer note no 12 above.**

14.2 Current Liabilities - Trade Payables

Particulars	As at 31st March, 2026	As at 31st March, 2025
(a) Micro and Small Enterprises	1.84	1.68
(b) Other than Micro and Small Enterprises		
- Contractor & Suppliers	47.64	83.54
- Related Parties	-	2,580.82
Total	**49.48**	**2,666.04**

Notes: -

a) Disclosures as required under Companies Act, 2013 Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) are provided in Note 37.

14.3 Trade payables Ageing Schedule based on posting date for the year ended as at 31st March 2026 and 31st March 2025.

Particulars	Unbilled	Not Due	Outstanding for the year ended as at 31st March, 2026 from due date of payment			Total
			Less than 1 year	1-2 years	More than 2 years	
Total outstanding dues of micro enterprises and small enterprises	-	1.84	-	-	-	1.84
Total outstanding dues of creditors other than micro enterprises and small enterprises	47.64	-	-	-	-	47.64
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-

Particulars	Unbilled	Not Due	Outstanding for the year ended as at 31st March, 2025 from due date of payment			Total
			Less than 1 year	1-2 years	More than 2 years	
Total outstanding dues of micro enterprises and small enterprises	-	1.68	-	-	-	1.68
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	2,664.36	-	-	2,664.36
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-

14.4 Current Liabilities - Other Financial Liabilities

Particulars	As at 31st March, 2026	As at 31st March, 2025
Unsecured		
Payable to Holding Company	-	9.61
Money withheld from holding company	2,630.29	2,402.88
Payable to entity- Related party	-	-
Interest accrued on secured borrowings	10.17	10.03
Security Deposit	-	-
Other payable (including staff payable)	0.49	0.91
Total	2,640.95	2,423.43

15 Other Current Liabilities

Particulars	As at 31st March, 2026	As at 31st March, 2025
Contract Liabilities		
Advance from client	148.27	-
Others		
Statutory dues Payable	109.43	477.43
Total	257.70	477.43

16 Current Tax Liabilities (Net)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Provision for Income tax (Net of Advance tax and Tax Deducted at Source)	-	42.15
Total	-	42.15

17 Revenue from operations

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Contract revenue	9,873.68	31,756.55
Total	9,873.68	31,756.55

18 Other Income

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Interest Income:		
Interest on Fixed Deposits	80.02	3.67
Interest on Income-tax Refund	-	17.79
Miscellaneous Income		310.47
Less : Insurance Claim Passed on	-	(310.47)
Total	80.02	21.46

19 Project Expenses

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Work Expenses	7,298.92	27,974.94
Inspection, Geo Techincal Investigation & Survey Exp. Etc	73.15	114.62
Other work expenses	5.77	8.73
Total	7,377.84	28,098.29

20 Employee benefits expenses

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Salary & Wages*	79.90	62.35
Contribution to Provident and Other Funds	5.64	4.50
Retirement Benefits	12.60	10.30
Provision for Gratuity Contractual employees	0.24	-
Total	98.38	77.15

*** It includes income -tax on non- monetary perquisites of Rs. 0.01 Lakh (31st March 2025: NIL)**

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(All amounts in Indian Rupees Lakhs unless otherwise stated)

21 Finance Cost

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Interest Expenses	3,584.37	2,634.89
Other Borrowing Cost		
-Bank guarantee and other charges	-	-
Total	**3,584.37**	**2,634.89**

22 Other Expenses

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Rent	3.64	3.31
Rates & Taxes	0.05	0.08
Insurance	83.64	64.03
Communication, Postage and Courier Charges	-	0.08
Travelling & Conveyance	4.58	0.39
Printing & Stationary expenses	0.26	0.11
Legal & Professional charges	43.66	17.20
Auditor Remuneration (refer Foot Note (i))	2.12	1.65
Business promotion	-	-
Bank charges	0.22	0.03
Corporate social responsibility (refer Note 38)	7.23	-
Vehicle Operation and Maintenance	0.21	-
Loss on Sale of Property, Plant and Equipment	0.03	-
Miscellaneous Expenses	1.77	0.79
Total	**147.41**	**87.67**

Foot Note: -

(i) Payment to the Statutory Auditors

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Payment to the auditor's for		
- Statutory Audit Fee	0.75	0.72
- Tax Audit Fee	0.23	0.21
- Fee for Quarterly limited review	0.44	0.39
- Certification	0.52	0.22
- Out of Pocket expenses	0.18	0.11
Total	**2.12**	**1.65**

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23 Disclosure as per Ind AS 21 'The Effects of Changes in Foreign Exchange Rates

The amount of exchange differences (net) credited/debited to the statement of profit and loss is Nil (FY 2024-25: Nil).

a) Foreign currency transactions

Particular	For the year ended 31st March 2026	For the year ended 31st March 2025
Details of foreign currency transactions are as follows:	-	-
Expenditure incurred in foreign currency	-	-
Income earned in foreign currency	-	-

During the year the company has no unhedged foreign currency exposures.

24 Disclosure as per Ind AS 19 on Employee benefits

(i) Employees on nomination/secondment basis

a) The employees in Ircon Ludhiana Rupnagar Highway Limited are posted on nomination/ secondment basis from Ircon International Limited (Holding Company).

b) In terms of accounting policy of the Company (Note No. 2.2.7) and arrangement with the Holding Company, the provision for Retirement Benefits such as provident fund, pension, gratuity, post retirement medical benefits, Leaves and other terminal benefits of nominated employees is being made by Holding company in terms of Ind AS-19. The amount paid or payable towards provident fund, pension, gratuity, post retirement medical benefits, Leaves and other terminal benefits to the holding company are included in "Employee Benefit Expenses" (Note 20).

c) Provident Fund Contribution of the employees on nomination/secondment have been regularly deposited by the holding company with its P.F Trust.

(ii) Contract Employees - Gratuity

On 21st November 2025, the Government of India notified provisions of the Code on Wages 2019, the Industrial Relations Code 2020, the Code on Social Security 2020 and the Occupational Safety, Health and Working Conditions Code 2020, which consolidates the existing 29 labour laws into a unified framework governing employee benefits. In accordance with Indian law, the Company operate a scheme of gratuity for eligible contract employees which is a defined benefit plan. Vesting occurs upon completion of contractual period of continuous years of service as defined in the Code on Social Security, 2020.

During the year ended 31 Mar 2026, the Company has recognised gratuity liability for contract employees for the first time based on management's assessment of the applicable legal and regulatory position. The plan is wholly unfunded and, accordingly, no plan assets or qualifying insurance policy exist as at the reporting date and the entire defined benefit obligation is recognised as a liability in the financial statements. The liability in respect of gratuity is determined on the basis of an actuarial valuation carried out as at the reporting date.

The following table sets out the details of the defined benefit plans and the amounts recognised in the financial statementst as on March 31, 2026:

i) Changes in the present value of the defined benefit obligation are

(Rs. in Lakhs)

Particulars	Gratuity	
	As at 31st March, 2026	As at 31st March, 2025
Defined benefit obligation at the beginning of the period	-	-
Current service cost	0.24	-
Past service cost including curtailment Gains/Losses	-	-
Interest cost	-	-
Benefits paid	-	-
Actuarial loss / (gain) on obligations	-	-
Defined benefit obligation at the end of the period	**0.24**	-

ii) Changes in fair value of plan assets

(Rs. in Lakhs)

Particulars	Gratuity	
	As at 31st March, 2026	As at 31st March, 2025
Fair value of plan assets at the beginning of the period	-	-
Contribution by employer & employee	-	-
Benefits paid	-	-
Interest income	-	-
Remeasurement - return on plan assets excluding interest income	-	-
Fair value of plan assets at the end of the period	-	-

iii) Reconciliation of fair value of plan assets and defined benefit obligation:

(Rs. in Lakhs)

Particulars	Gratuity	
	As at 31st March, 2026	As at 31st March, 2025
Fair value of plan assets	-	-
Defined benefit obligation	0.24	-
Amount recognised in the Balance Sheet	**(0.24)**	**-**

iv) Amount recognised in Statement of profit and loss

(Rs. in Lakhs)

Particulars	Gratuity	
	For the year ended 31st March 2026	For the year ended 31st March 2025
Current service cost	0.24	-
Past service cost	-	-
Net interest expense	-	-
Amount recognised in statement of Profit and Loss	**0.24**	**-**

v) Amount recognised in Other Comprehensive Income:

(Rs. in Lakhs)

Particulars	Gratuity	
	For the year ended 31st March 2026	For the year ended 31st March 2025
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	-	-
Experience adjustments	-	-
Return on Plan Assets excluding Interest Income	-	-
Amount recognised in Other Comprehensive Income	**-**	**-**

vi) The major categories of plan assets of the fair value of the total plan assets are as follows:

(Rs. in Lakhs)

Particulars	Gratuity	
	As at 31st March, 2026	As at 31st March, 2025
Government of India securities	-	-
State Government securities	-	-
High quality corporate bonds	-	-
PSU Bond	-	-
Equity Shares of listed companies	-	-
Fund Managed by Insurer	-	-
Bank Balance	-	-
Total	**0%**	**0%**

vii) The principal assumptions used in determining Gratuity liability for the Company's plans are shown below:

Particulars	Gratuity For the year ended 31st March, 2026	Gratuity For the year ended 31st March, 2025
Discount rate	6.52%	0.00%
Future Salary increase	5.00%	0.00%
Mortality rate	100% IALM (2012-14)	-

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viii) Quantitative sensitivity analysis for significant assumption shown above as at 31 March is as shown below:

(Rs. in Lakhs)

Particulars	Gratuity (Impact on DBO)	
	31st March, 2026	31st March, 2025
Present value of obligation at the end of period	0.24	-
Discount rate	6.52%	-
Increase by 0.50%	(0.00)	-
Decrease by 0.50%	0.00	-
Future Salary Increases	5.00%	-
Increase by 0.50%	0.00	-
Decrease by 0.50%	(0.00)	-

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions shown above occurring at the end of the reporting period.

Sensitivities due to mortality and withdrawals are insignificant and hence ignored.

ix) Expected contribution for next annual reporting period
The expected contribution to the defined benefit plan for next annual reporting period is Rs. 0.35 Lakhs (PY: Nil).

x) Maturity profile of defined benefit obligation is as under

(Rs. in Lakhs)

Duration of defined benefit obligation duration (years)	Gratuity
1	0.00
2	0.24
3	-
4	-
5	-
6	-
6 year onward	-
Total	**0.24**

Risk analysis
Company is exposed to a number of risks in the defined benefit plan. Most significant risks pertaining to defined benefits plan, and management's estimation of the impact of these risks are as follows:

a) Discount rate Risk
Reduction in discount rate in subsequent valuations can increase the plan's liability.

b) Longevity risk/ Life expectancy
The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

c) Salary growth risk
The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

25 Related Party Disclosures
Disclosures in compliance with Ind AS 24 'Related Party Disclosures' are as under:

a) List of Related Parties

(i) Holding company
Ircon International Limited

(ii) Entities under common control
Ircon Gurgaon Rewari Highway Limited

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(All amounts in Indian Rupees Lakhs unless otherwise stated)

(iii) Key Management Personnel (KMP)

Name	Designation
Shri Surender Singh (w.e.f. 01.05.2025)	Nominee Director
Shri Masood Ahmad	Nominee Director
Shri Ajay Pal Singh (w.e.f. 01.11.2025)	Additional Director
Shri Sanjay Bisariya (w.e.f. 10.09.2025)	Additional Director
Ms. Yamini Sahib	Nominee Director
Shri Parag Verma (Up to 30.04.2025)	Nominee Director
Shri Yogesh Kumar Misra (up to 31.10.2025)	Nominee Director
Shri Lalit Kumar Verma (w.e.f. 01.12.2025)	Chief Executive Officer
Shri Mohammad Hannan	Chief Financial Officer
Shri Vikas Awasthi (w.e.f. 29th April 2026)	Company Secretary
Shri Jaswinder Singh (up to 30th November 2025)	Chief Executive Officer
Shri Ankit Jain (w.e.f. 29th April 2025 upto 30th October 2025)	Company Secretary

(iv) The IRCON Ludhiana Rupnagar Highway Limited is wholy owned subsidiary of IRCON International Limited. The IRCON International Limited is a CPSE under the Ministry of Railway. The company is controlled by GOI, by holding 65.17% of equity shares in the name of President of India as at 31.03.2026. Pursuant to Para 25 and 26 of Ind As 24, entities over which the same Ministry has control or joint control of or significant influence, then the reporting entity and other entities shall be regarded as related parties. Transaction with these parties are carried out at market terms at arm length basis. The company has applied the exemption available for government related entities and have limited disclosure in financial statements.

b) Transactions with Key Managerial Personnel (KMP) of the Company are as follows:

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
1) Short term employment benefits	71.49	32.57
2) Post - employment benefits	7.72	6.45
3) Other long term employment benefits	21.13	4.01
Total	**100.34**	**43.03**

c) Transactions with other related parties are as follows: -

Nature of transaction	Name of related party	Nature of relationship	For the year ended 31st March 2026	For the year ended 31st March 2025
1) Reimbursement expenses	Ircon International Limited	Holding Company	36.95	40.99
2) Rent Expense (exclusive of GST)			3.08	3.31
3) Works Contract			7,298.92	27,974.94
4) Expenses for increase in share capital			-	-
5) Proceeds from issue of Equity Shares			316.00	749.00
6) Insurance Claim			-	310.47
7) Recoverable from holding company			-	55.35
8) Quasi Equity from holding company			2,000.00	4,554.00
9) Purchase of Property Plant and Equipment			0.70	-
9) Purchase of Property Plant and Equipment	Ircon Gurgaon Rewari Highway Limited	Entities under common control	0.30	-

d) Outstanding balances with the related parties are as follows: -

Nature of transaction	Name of related party	Nature of relationship	As at 31st March, 2026	As at 31st March, 2025
Balance Payable as on reporting date	Ircon International Limited	Holding Company	2,630.29	4,993.31
Balance Recoverable as on reporting date	Ircon International Limited	Holding Company	5.66	55.35
Advances to Contactors	Ircon International Limited	Holding Company	1,471.65	-
Equity Share Capital (Including Quasi equity)	Ircon International Limited	Holding Company	13,423.00	11,107.00

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e) Terms and conditions of transactions with related parties

(i) Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

(ii) Outstanding balances of related parties at the reporting date are unsecured and settlement occurs through banking transactions. These balances are interest free.

26 Earnings per share (EPS)

Disclosure as per Ind AS 33 'Earnings per share'

(a) Basic EPS is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the period.

(b) Diluted EPS is calculated by dividing the profit for the year attributable to the equity holders after considering the effect of dilution by weighted average number of equity shares outstanding during the period plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

(i) Basic and diluted earnings per share (in Rs.)

Particulars	Note	For the year ended 31st March 2026	For the year ended 31st March 2025
Profit attributable to Equity holders (Rs. in lakhs)	(ii)	(946.72)	658.61
No.of equity shares		1,42,70,000	1,11,10,000
Weighted average number of equity shares for Basic and Diluted EPS (In Numbers)	(iii)	1,31,18,548	62,05,589
Earnings per share (Basic)		(7.22)	10.61
Earnings per share (Diluted)		(7.22)	10.61
Face value per share		10.00	10.00

(ii) Profit attributable to equity shareholders (used as numerator) (Rs. in lakhs)

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Profit for the year as per Statement of Profit and Loss	(946.72)	658.61
Profit attributable to Equity holders of the company used for computing EPS	(946.72)	658.61

(iii) Weighted average number of equity shares (used as denominator) (Nos.)

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Opening balance of issued equity shares	1,11,10,000	36,20,000
Equity shares issued during the period	31,60,000	74,90,000
Equity shares outstanding as on date	**1,42,70,000**	**1,11,10,000**
Weighted average number of equity shares for computing Basic EPS	1,31,18,548	62,05,589
Dilution Effect:		
Add: Weighted average numbers of potential equity shares outstanding during the year	-	-
Weighted average number of equity shares for computing Diluted EPS	1,31,18,548	62,05,589

Note: Weighted average number of equity shares is the number of shares outstanding from the date of incorporation adjusted by the number of equity shares issued during the period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as proportion of total number of days during the period.

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CEO/ILRHL

27 Impairment of Assets

During the period, Company has carried out assessment on impairment of individual assets by working out the recoverable amount based on higher of the value in use and fair value less cost of disposal in terms of Ind AS 36, "Impairment of Assets" notified under section 133 of the companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian accounting standards) Amendment Rules 2016. The recoverable amount has been compared with the carrying amount of the assets and, as the carrying amount does not exceed the recoverable amount, impairment loss of Rs. Nil (FY 2024-25: Nil) has been provided for.

28 Changes in accounting policies and disclosures

Recent Accounting Pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new accounting standards or amendments to existing standards under the Companies (Indian Accounting Standards) Rules from time to time.

Amendments effective from April 1, 2025

a. Ind AS 21 - The Effects of Changes in Foreign Exchange Rates

In May 2025, Ind AS 21 Amendments – Currency Exchangeability Clarifies how to assess exchangeability and determine spot rates when currencies can't be exchanged, with disclosure of impacts on performance, position, and cash flows.. The Company has evaluated the impact of the said amendment and concluded that it does not have any impact on its financial statements.

b. Ind AS 1 - Presentation of Financial Statements

In August 2025, the MCA notified amendments relating to the classification of liabilities as current or non-current, including guidance on non-current liabilities with covenants. The amendments clarify that the right to defer settlement must exist as at the reporting date and should be substantive. The Company has assessed the amendment and concluded that there is no impact on the classification of its current and non-current liabilities.

c. Ind AS 7 - Statement of Cash Flows and Ind AS 107 - Financial Instruments: Disclosures

The amendments introduce disclosure requirements for supplier finance arrangements, including details of the nature of such arrangements, carrying amounts of related liabilities, and payment terms. Additionally, such arrangements are considered in assessing concentration of liquidity risk.The Company has evaluated these amendments and determined that they do not have any impact on its financial statements.

d. Ind AS 12 - Income Taxes – International Tax Reform: Pillar Two Model Rules

The amendments introduce a temporary mandatory exception from the recognition of deferred taxes arising from the implementation of the Pillar Two Model Rules and require disclosure of its application. As the Company has not undertaken transactions of this nature, these amendments have no impact on its financial statements.

29 Provision, Contingencies and Commitments

(a) Provisions

Provisions has been made during the year in accordance with Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

(b) Contingent liabilities

No Claims against the Company acknowledged as debts as on the reporting date as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets'. Contingent liabilities are disclosed to the extent of claims lodged against the Company and are not reimbursable to the Company by the EPC Contractor. The Company is of the view that there are no such cases.

(c) Contingent assets

No claims in favour of the company accounted as receivables as on the reporting date as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

(d) Commitments

Capital: Estimated amount of contracts remaining to be executed on capital account (Net of advance) and not provided for is Nil (March 31st, 2025: Nil).
Other: Contractor EPC Work remaining for execution as on March 31st, 2026 Rs 22,843.73 Lakh (March 31st, 2025: Rs. 30,630.08 Lakh).

30 Segment Reporting

(a) General Information

Operating segments are defined as components of an enterprise for which discrete financial information is available which is being evaluated regularly by the Chief Operating Decision Maker (CODM) in deciding how to allocate resources and assessing performance. The Board of Directors of the Company is the Chief Operating Decision Maker (CODM). The Company is engaged in the business of infrastructure development in the state of Punjab and the Chief Operating Decision Maker (CODM) monitors the operating results of the business as a single segment, hence no separate segment needs to be disclosed in accordance with the requirements of Ind AS 108.

(b) Information about geographical information

As the Company operates in a single geographical segment i.e. India, hence no separate geographical segment is disclosed.

(c) Information about major customer

During the year ended March 31st, 2026, Revenue of Rs. 9,873.69 Lakhs (March 31st, 2025 Rs. 31756.55 Lakhs) are derived from a single customer i.e. NHAI which is more than 10% of the Company's total revenue.

31 Financial Risk Management

The Company's principal financial liabilities comprise borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, cash and cash equivalents and other financial assets. The Company is exposed to credit risk, liquidity risk and market risk arising from its use of financial instruments. This note presents information about the Company's exposure to each of the above risks, and the Company's objectives, policies and processes for measuring and managing these risks.

Risk Management Framework

The Company's activities make it susceptible to various risks. The Company has taken adequate measures to address such concerns by developing adequate systems and practices. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, cash and cash equivalents with banks and other financial assets. The Company's exposure and credit ratings of its counterparties are continously monitored by the management.

Cash and cash equivalents

The cash and cash equivalents are held in public sector banks with strong credit ratings. The Company considers the credit risk on such balances to be insignificant.

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Trade Receivables and other financial assets

The Company's exposure to credit risk is influenced mainly by the characteristics of the customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. The Company derives revenue primarliy from the Construction of Expressway and other financial assets primarily relates to the unbilled revenue under Service Concession Arrangement (SCA). The credit risk arising from these trade receivables and unbilled revenue is limited because the counterparty is National Highways Authority of India (NHAI), an autonomous agency of Government of India, with capacity to meet the obligations and therefore, the risk of default is very negligible or Nil.

(i) Exposure to credit risk (Rs. In Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Financial Assets for which allowance is measured using General approach (12-month ECL)		
Cash and Cash Equivalents	90.55	1,082.76
Other Current Financial Asset	5.69	55.73
Financial Assets for which allowance is measured using Simplified approach (Lifetime ECL)		
Trade Receivables	-	-
Contract Asset	53,198.43	52,523.92

(ii) Provision for expected credit losses

No impairment loss has been recognised during the reporting period.

(iii) Summary of loss allowance measured using General approach (12-month expected credit losses): - (Rs. In Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Opening Allowances	-	-
Provided during the year	-	-
Utilization during the year	-	-
Amount written off	-	-
Closing Allowances	-	-

(iv) Summary of loss allowance measured using simplified approach (life-time expected credit losses): - (Rs. In Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Opening Allowances	-	-
Provided during the year	-	-
Utilization during the year	-	-
Amount written off	-	-
Closing Allowances	-	-

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity position of the Company is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

The table below provides details regarding the significant financial liabilities as at 31 March 2026 & 31 March 2025 (Rs. In Lakhs)

Particulars	As at 31st March, 2026		
	Less than 1 Year	1-2 Years	2 years and above
Borrowings	-	856.23	46,208.77
Trade Payables	49.48	-	-
Other Financial Liabilities	2,640.95	-	-

(Rs. In Lakhs)

Particulars	As at 31st March, 2025		
	Less than 1 Year	1-2 Years	2 years and above
Borrowings	-	333.11	44,081.89
Trade Payables	2,666.04	-	-
Other Financial Liabilities	2,423.43	-	-

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Board of Directors is responsible for setting up of policies and procedures to manage market risks of the Company.

(i) Foreign Currency risk

The functional currency of the Company is Indian Rupees. The Company is not exposed to any foreign currency risk.

(ii) 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. Financial instruments affected by interest rate risk include deposits with banks and borrowings from banks. The interest rate risk on deposits with banks is not significant as the interest rates are generally fixed for the tenure of such instruments. The Company is exposed to interest rate risk primarily on its non-current borrowings & current maturities of long term borrowing with floating interest rates, as the cash flows associated with such borrowings will fluctuate with changes in market interest rates. However, the Company will receive interest income on floating rate instruments arising from annuity-based service concession arrangements (SCA), which are generally linked to similar benchmark rates. Accordingly, changes in interest rates on borrowings are largely offset by corresponding movements in interest income on such floating rate instruments, thereby mitigating the Company's overall exposure to interest rate risk.

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CEO

(All amounts in Indian Rupees Lakhs unless otherwise stated)

At the reporting date, interest rate profile of the Company's interest bearing financial instruments is as follows:

Particulars	As at 31st March, 2026	As at 31st March, 2025
Fixed rate Instrument		
Financial Asset	65.00	772.00
Financial Liabilities	-	-
Floating rate Instrument		
Financial Asset	50,873.68	51,081.10
Financial Liabilities	47,065.00	44,415.00

The following sensitivity analysis demonstrates the impact of a reasonably possible change in interest rates on the Company's profit before tax, with all other variables held constant. The impact on profit before tax is mainly on account of changes in interest expense on floating rate borrowings. A reasonably possible change of ±50 basis points (bps) in interest rates has been considered for the purpose of this analysis.

Particulars	Impact on PBT	
	As at 31st March, 2026	As at 31st March, 2025
Floating rate borrowings: + 50 basis points	(222.99)	(160.39)
Floating rate borrowings: - 50 basis points	222.99	160.39

d) Concentration of risk

The Company has a significant concentration of credit risk as its entire revenue and receivables arise from a single counterparty, i.e., National Highways Authority of India (NHAI) under service concession arrangements. As at the reporting date, substantially all financial assets related to contract assets / receivables are exposed to this counterparty. However, the credit risk is considered low as NHAI is a Government of India undertaking and payments are backed by contractual arrangements.

The following table provides details of revenue generated from the Company's single customer, NHAI, representing 100% of total revenue:

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Revenue from NHAI	9,873.68	31,756.55
% age of total revenue	100%	100%

32 Fair Value Measurements

a) Financial instruments by category

Particulars	As at 31st March, 2026		
	FVTPL	FVTOCI	Amortised Cost
Financial Assets at Amortized Cost			
(i) Trade Receivables	-	-	-
(ii) Cash and cash equivalents	-	-	90.55
(iii) Other financial assets	-	-	53,204.12
	-	-	**53,294.67**
Financial Liabilities at Amortized Cost			
(i) Borrowings	-	-	47,065.00
(ii) Trade Payables	-	-	49.48
(iii) Other financial liabilities	-	-	2,640.95
	-	-	**49,755.43**

Particulars	As at 31st March, 2025		
	FVTPL	FVTOCI	Amortised Cost
Financial Assets at Amortized Cost			
(i) Trade Receivables			-
(ii) Cash and cash equivalents	-	-	1,082.76
(iii) Other financial assets	-	-	52,579.65
	-	-	**53,662.41**
Financial Liabilities at Amortized Cost			
(i) Borrowings			44,415.00
(ii) Trade Payables	-	-	2,666.04
(iii) Other financial liabilities	-	-	2,423.43
	-	-	**49,504.47**

b) Fair value hierarchy

Financial assets and financial liabilities are measured at fair value in these financial statements and are grouped into three levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

c) **Carrying value and Fair value of financial assets and liabilities as at 31st March 2026**

Particulars	Carrying Value	Fair Value		
		Level-1	Level-2	Level-3
Financial Assets at Amortized Cost				
(i) Trade Receivables	-	-	-	-
(ii) Cash and cash equivalents	90.55	-	-	90.55
(iii) Other financial assets	53,204.12	-	-	53,204.12
	53,294.67	**-**	**-**	**53,294.67**
Financial Liabilities at Amortized Cost				
(i) Borrowings	47,065.00	-	-	47,065.00
(ii) Trade Payables	49.48	-	-	49.48
(iii) Other financial liabilities	2,640.95	-	-	2,640.95
	49,755.43	**-**	**-**	**49,755.43**

Carrying value and Fair value of financial assets and liabilities as at 31st March 2025

Particulars	Carrying Value	Fair Value		
		Level-1	Level-2	Level-3
Financial Assets at Amortized Cost				
(i) Trade Receivables	-	-	-	-
(ii) Cash and cash equivalents	1,082.76	-	-	1,082.76
(iii) Other financial assets	52,579.65	-	-	52,579.65
	53,662.41	**-**	**-**	**53,662.41**
Financial Liabilities at Amortized Cost				
(i) Borrowings	44,415.00	-	-	44,415.00
(ii) Trade Payables	2,666.04	-	-	2,666.04
(iii) Other financial liabilities	2,423.43	-	-	2,423.43
	49,504.47	**-**	**-**	**49,504.47**

The management assessed that the carrying amounts of cash and cash equivalents, trade receivables, trade payables and other short-term financial assets and liabilities approximate their fair values due to their short-term maturities.

(i) 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.

(ii) Long term variable rate borrowings are evaluated by company on parameters such as interest rates, specific country risk factors and other risk factors. Based on this evaluation, the fair value of such borrowings are not materially different from their carrying amount.

(iii) Non current financial assets i.e. Contract Assets from construction contract are measured at amortised cost using the effective interest method. These contract assets carry interest at rates linked to MCLR plus applicable spread, which represents market rate of return. Accordingly, the carrying amount of such receivables approximates their fair value and no separate discounting adjustment is considered necessary.

(iv) During the FY 2025-26 & FY 2024-25, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

33 Capital Management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The management and the Board of Directors monitor the return on capital. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Company monitors capital, on the basis of a number of financial ratios generally used by industry and by the rating agencies. The Company monitors capital using debt equity ratio which is debt divided by total equity. Debt comprises of non-current and current maturities of long term debt. Total equity includes equity share capital, instruments entirely equity in nature and other equity. The debt equity ratio at the end of the reporting period is as follows:

Particulars	As at 31st March, 2026	As at 31st March, 2025
Borrowings (Note No. 12)	47,065.00	44,415.00
Current Maturities of Long term Debt (Note No. 14.1)	-	-
Debt	**47,065.00**	**44,415.00**
Equity (Note No. 10)	1,427.00	1,111.00
Instruments entirely equity in nature (Note No. 11.1)	11,996.00	9,996.00
Other Equity (Note No. 11.2)	(150.71)	796.44
Total Equity	**13,272.29**	**11,903.44**
Debt Equity Ratio	**3.55**	**3.73**

34 Revenue

A. Disaggregation of Revenue

Set out below is the disaggregation of the company's revenue from contracts with customers into operating segment and type of product or services.

Type of Product or Services	For the year ended 31st March 2026						
	Revenue as per Ind AS 115			Method for measuring performance obligation		Other Revenue	Total as per Statement of Profit and Loss
	Domestic	Foreign	Total	Input Method	Output Method		
Highway	9,873.68	-	9,873.68	9,873.68	-	-	9,873.68
Total	**9,873.68**	**-**	**9,873.68**	**9,873.68**	**-**	**-**	**9,873.68**

The revenue of Rs 9873.69 Lakhs is recognised over a period of time.

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IRCON LUDHIANA RUPNAGAR HIGHWAY LIMITED CIN:U45309DL2021GOI391675

CEO

Type of Product or Services	For the year ended 31st March 2025						
	Revenue as per Ind AS 115			Method for measuring performance obligation		Other Revenue	Total as per Statement of Profit and Loss
	Domestic	Foreign	Total	Input Method	Output Method		
Highway	31,756.55	-	31,756.55	31,756.55	-	-	31,756.55
Total	**31,756.55**	**-**	**31,756.55**	**31,756.55**	**-**	**-**	**31,756.55**

The revenue of Rs 31756.55 Lakhs is recognised over a period of time.

B. Contract balances

Particulars	As at 31st March, 2026	As at 31st March, 2025
Trade Receivables (Note 7.1)	-	-
Contract Assets (Note 4 and Note 7.3)	53,198.43	52,523.92
Contract Liability (Note 15)	148.27	-

i) Trade receivables are non-interest bearing and the customer profile include National Highway Authority of India. The Company's average project execution cycle is around 24 to 36 months. General payment terms include mobilisation advance, milestone payments with a credit period ranging from 45 to 60 days.

ii) Contract Assets are recognised over the period in which services are performed to represent the Company's right to consideration in exchange for goods or services transferred to the customer. It includes balances due from customers under construction contracts that arise when the Company receives payments from customers as per terms of the contracts however the revenue is recognised over the period under input method. Any amount previously recognised as a contract asset is reclassified to trade receivables on satisfaction of the condition attached i.e. future service which is necessary to achieve the billing milestone.

Movement in contract balances during the period

Particulars	As at 31st March, 2026	As at 31st March, 2025
Contract asset at the Beginning of the year	52,523.92	25,295.42
Contract asset at the end of the year	53,198.43	52,523.92
Net increase/(decrease)	**674.51**	**27,228.50**

For the year 2025-26 & 2024-25, there has been net increase of Rs. 674.52 Lakhs and Rs. 27,228.50 Lakhs respectively due to recognition of revenue based on input method whereas bills for workdone are certified based on contract conditions.

iii) Contract liabilities relating to construction contracts are balances due to customers, these arise when a particular milestone payment exceeds the revenue recognised to date under the input method and advance received in long term construction contracts. The amount of Advance received gets adjusted over the construction period as and when invoicing is made to the customer.

Particulars	As at 31st March, 2026	As at 31st March, 2025
Contract liabilities at the Beginning of the year	-	-
Contract liabilities at the end of the year	148.27	-
Net increase/(decrease)	**148.27**	**-**

Contract liabilities represent amounts received or billed in advance of revenue recognition. The increase during the year is mainly due to billing or advance receipts as per contractual milestones, while revenue is recognised based on the input method.

C. Set out below is the amount of revenue recognised from:

Particulars	As at 31st March, 2026	As at 31st March, 2025
Amount included in contract liabilities at the beginning of the period	-	-
Performance obligation satisfied in previous period	-	-

D. Cost to obtain the contract

The Company has not incurred any incremental costs of obtaining contracts with a customer and therefore, not recognised an asset for such costs.

E. Cost to fulfil the contract

Amount recognised as asset as at 31st March, 2026 is Nil (As at 31st March, 2025: Nil)

Amount of amortisation recognised in the statement of profit and loss during the year is Nil (FY 2024-25: Nil)

F. Transaction price allocated to the remaining performance obligations

The transaction price for remaining performance obligations shall be received over the contract period in proportion of the work performed/services provided by the Company.

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CEO/ILRHL

Information about the Company's performance obligations are summarised below:

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31st March are as follows:

Particulars	As at 31st March, 2026	As at 31st March, 2025
Within one year	53,966.06	54,884.54
More than one year to 2 years	300.00	300.00
More than 2 years	4,200.00	4,200.00
Total	**58,466.06**	**59,384.54**

* The amount disclosed above does not include variable consideration which is constrained.

35 Service Concession Arrangements

Public to private service concession arrangements are recorded in accordance with Appendix "D"- Service Concession Arrangements (Ind AS-115). Appendix "D" is applicable if:

a) The Grantor controls or regulates which services the operator should provide with the infrastructure, to whom it must provide them, and at what price; and

b) The Grantor controls- through ownership, beneficial entitlement, or otherwise- any significant residual interest in the infrastructure at the end of the term of the arrangement.

If both of the above conditions are met simultaneously, a financial asset is recognized to the extent that the operator has an unconditional contractual right to receive cash or other financial asset from or at the discretion of the Grantor for the service.

These financial assets are initially recognized at cost, which is understood as the fair value of the service provided plus other direct costs directly attributable to the operation. They are then stated at amortized cost at the end of each financial year.

Ircon Ludhiana Rupnagar Highway Limited (IrconLRHL) has entered into service concession arrangement with National Highway authority of India (NHAI) dated 25th March 2022 in terms of which NHAI (the grantor) has authorised the company to carry the business of to construct, operate and maintain, Four/Six lane Greenfield Ludhiana - Rupnagar National Highway no. NH-205K from junction with NE-5 village near Manewal (Ludhiana) to junction with NH205 near Bheora Village (Rupnagar) including spur to Kharar with Ludhiana bypass under Bharatmala Pariyojana in the State of Punjab, Package-3 (Design Ch. 66.440 to Design Ch. 90.500 and spur to kharar Design Ch. 0.000 to Design Ch. 19.200, total length 43.26 km) thereof (the "Project") on design, build, finance, operate and transfer basis. In terms of the said agreement IrconLRHL has an obligation to complete construction of the project of four laning of Haridwar Bypass section and to keep the project assets in proper working condition including all projects assets whose lives have expired. The Project is under Annuity pattern.

The Concession period shall be 15 years commencing from the Commercial operation date. At the end of the concession period, the assets will be transferred back to National Highway Authority of India (NHAI).

In case of material breach in terms of agreement the NHAI and IrconLRHL have right to terminate the agreement if they are not able to cure the event of default in accordance with such agreement.

Company has recognized financial asset of Rs. 50873.69 Lakhs under service concession agreement upto the period ended 31st March 2026 (31st March 2025 Rs 51081.10 lakh) after taking into account the receivables due from NHAI on completion of milestone as per terms of the contract. The company has recognised revenue of Rs 9873.69 Lakhs for the year ended on 31st March 2026 (for the year ended on 31st March 2025 Rs 31756.55 Lakh) on construction of Road under SCA and Operation Revenue as per Ind AS - 115 related to "Revenue from Customers". The company has recognized receivable under service concession arrangement and shown under Other Financial Assets, which it will receive as per terms of the contract based on the completion of milestone, as on 31st March 2026.

Disclosure in terms of Appendix E of Ind AS 115:

In terms of the disclosure required in Appendix E in Ind AS -115 Revenue from Customers, as notified in the companies (Indian Accounting Standard) rules 2016, the amount considered in the financial statements up to the balance sheet date are as follows:-

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Contract Revenue Recognized	9,873.68	31,756.55
Aggregate amount of cost incurred	7,616.91	28,263.29
Amount of advance received from Client	148.27	-
Amount of retention by Client	2,324.75	1,442.82
Profit/(Loss) recognised during the period for exchange of construction service for a financial asset	2,256.77	3,493.26
Gross amount due from Client for Contract Works	50,873.68	51,081.10

36 Leases

a) Company as a Lessee

(i) The Company has no leasing arrangement which are non-cancellable in nature. Accordingly, no right of use assets and lease liabilities have been recognised by the Company.

(ii) The company applies the "short term lease" recognition exemption to all available lease agreements. Consequently, No Right to use and lease liability has been recognised in the financial statements.

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

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Expense relating to short-term leases (Refer Note 22)	3.64	3.31

b) Company as a Lessor

Company has no leasing arrangement as a lessor.

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New Delhi
FRN-002890N
Chartered Accountants

Ircon Ludhiana Rupnagar Highway Limited
CIN-U45309DL2021GOI391675

(All amounts in Indian Rupees Lakhs unless otherwise stated)

37 Details of delayed payment to Micro and Small Enterprises as defined under the MSMED Act, 2006

S.No.	Particulars	As at 31st March, 2026	As at 31st March, 2025
a)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
	- Principal amount due to micro and small enterprises	1.84	1.68
	- Interest due on above	-	-
b)	The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
d)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006.	-	-

The information as required to be disclosed persuant under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act 2006) has been determined to the extent such parties have been identified on the basis of information available with the Company.

38 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013 , the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

A. Amount required to be spent on CSR Activities

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Gross amount required to be spent by the Company during the year	7.23	-
Amount approved by the Board to be spent during the year	7.23	-

B. Amount spent on CSR Activities

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
On Construction/acquisition of any asset*	-	-
On purposes other than above*	7.23	-
Total	**7.23**	**-**

* There are no related party transaction in respect to CSR expenditure.

C. Break-up of the CSR expenses under major heads is as under:

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Distribution of Sanitary pads, medicines and conducting health awareness programmes	7.23	-
Total	**7.23**	**-**

D. Details related to unspent amount/ excess amount spent:

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Opening Balance	-	-
Amount deposited in specified fund of schedule VII within 6 months	-	-
Amount required to be spent during the year (as per (A) above)	-	-
Amount spent during the year (as per (b) above)	-	-
Closing balance (Shortfall/Excess amount spent by the company)	-	-

E. Details related to unspent obligations:

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Unspent amount in relation to:		
- Ongoing project (#)	-	-
- Other than ongoing project (as per D above)	-	-

 # Ongoing Project:

Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
-	-	-	-	-	-	-

F. Other Disclosure:

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant	-	-
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	-	-

(All amounts in Indian Rupees Lakhs unless otherwise stated)

39 Disclosure pursuant to section 186 of the Companies Act 2013:

There are no loans given, investments made and guarantee given are made by the Company during the period.

40 Other Statutory Disclosures

The MCA vide notification dated 24th March 2021 has amended Schedule III to the Companies Act. 2013 in respect of certain disclosures which are applicable from 1st April 2021. The Company has incorporated the changes as per the said amendment in the financial statements and below disclosures are made in compliance of the said amendment :

(i) The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year ending 31st March 2026 and 31st March 2025.

(ii) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year ending 31st March 2026 and 31st March 2025.

(iii) The Company do not have any Benami property as on 31st March 2026 and 31st March 2025, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(iv) The Company do not have any prior period errors beyond the threshold limit as specified in the accounting policies in the financial year ending on 31st March 2026 and 31st March 2025 to be disclosed separately in Statement of changes in equity.

(v) The Company has no cases of any charges or satisfaction which is yet to be registered with ROC beyond the statutory period in the financial year ending 31st March 2026 and 31st March 2025.

(vi) During the financial year 2025-26 and 2024-25, the Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), 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 company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vii) During the financial year 2025-26 and 2024-25, the Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(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.

(viii) The Company has not granted any loans and advances in the nature of loans to promoters, directors, KMP and other related parties in the financial year ending 31st March 2026 and 31st March 2025.

(ix) The Company does not have any immovable properties as at 31st March 2026 and 31st March 2025.

(x) The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority in the financial year 2025-26 and 2024-25.

(xi) Company is not required to submit statement of current assets with the bank and therefore reconcilation of the statement filed by the company with bank and the books of accounts is not applicable.

(xii) The Company does not have any transactions in financial year 2025-26 and 2024-25, where the company has not used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

(xiii) The Company have not entered into any scheme(s) of arrangements during the year ending 31st March 2026 and 31st March 2025.

(xiv) The Company has not entered in any transaction 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).

(xv) Company has not received any grants and donations during the year ending 31st March 2026 and 31st March 2025.

(xvi) The Company does not have any Capital Work- in- Progress, Investment Property, Intangible Assets and Intangible Assets under Development as at 31st March 2026 and 31st March 2025. During the year 2025-26 and 2024-25, the company has not revalued any of its Property, plant and equipment.

(xvii) The provisions of clause (87) of section 2 of the Act read with the Companies (Restriction on number of layers) Rules, 2017 are not applicable on the company.

(xviii) The following accounting ratios are disclosed: -

S.No	Particulars	Numerator	Denominator	March 31, 2026	March 31, 2025	% change	Reason for change more than 25%
a)	Current ratio (In times)	Current Assets	Current Liabilities	1.81	0.80	126.25%	Due to increase in current assets and reduction in current laibilities in ordinary course of business
b)	Debt-equity ratio (In times)	Total Debt	Shareholder's Equity	3.55	3.73	-4.83%	Variance below 25%
c)	Debt service coverage ratio (In times)	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	0.74	1.25	-40.80%	Due to losses during the period
d)	Return on equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	-8.00%	7.00%	-214.29%	Due to losses during the period
e)	Inventory turnover ratio (In times)	Cost of goods sold	Average Inventory	N.A.	N.A.	N.A.	-
f)	Trade receivables turnover ratio (In times)	Net credit sales= Gross credit sales- sales return	Average Trade Receivable	-	11.04	-100%	Due to 'nil' trade receivable on balance sheet date
g)	Trade payable turnover ratio (In times)	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	5.43	4.48	21.21%	Variance below 25%
h)	Net capital turnover ratio (In times)	Net Sales = Total sales- sales return	Working capital = Current assets – Current liabilities	15.49	-83.46	-118.56%	Due to increase in working capital
i)	Net profit ratio	Net Profit	Net Sales = Total sales- sales return	-10.00%	2.00%	-600.00%	Due to losses during the period
j)	Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	4.00%	6.00%	-33.33%	Due to losses during the period
k)	Retun on investment	Income generated from Investments (Finance Income)	Time weightage average Investment	N.A.	N.A.	N.A.	-

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IRCON LUDHIANA RUPNAGAR HIGHWAY LIMITED CIN-U45309DL2021GOI391675

CFO/ILRHL

41 Disclosure as required by Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors

The Government of India has consolidated 29 labour laws into four New Labour Codes, effective 21 November 2025; however, the related rules are yet to be notified. Accordingly, Material Accounting Policy No. 2.2.7 relating to Employee Benefits has been revised.

Pursuant to the above, the Company has recognised gratuity liability for eligible contract employees for the first time, based on actuarial valuation and management's assessment of the applicable legal position. Consequently, a defined benefit obligation of ₹ 0.24 lakh has been recognised in the financial statements (refer Note 20)

S.no	Particulars	Amount
1	Past service cost charged to P&L	-
2	Current service cost charged to P&L	0.24
3	**Impact on profit before tax**	**0.24**
4	Impact on Other Comprehensive Income	Nil
5	Defined benefit obligation recognised	0.24

The above has been accounted for prospectively in the current year, there being no impact on comparative periods.

42 Disclosure as per Ind AS-1: Disclosures on presentation of financial statements

Certain reclassification has been made to the comparative period's financial statements to enhance comparability with the current year's financial statements. As a result certain line items have been reclassified in the Balance Sheet, the details of which are as under:

Particulars	Before Re-classification (FY 2024-25)	Re-classification	After Re-classification (FY 2024-25)
Current Assets:			
Other Current assets- Balance with Government Authorities (GST Input)	8,192.59	(6,345.39)	1,847.20
Non Current Assets:			
Other Non current assets- Balance with Government Authorities (GST Input)	-	6,345.39	6,345.39

43 Other disclosures

(i) The company is incorporated on 24th December 2021 as wholly owned subsidiary of Ircon International Limited.

(ii) The Company has a system of obtaining periodic confirmation of balances from banks and other parties. So far as trade/other payables and loans and advances are concerned, the balance confirmation letters were sent to the parties. Balances of some of the Trade Receivables, Other Assets, Trade and Other Payables are subject to confirmations/reconciliations and consequential adjustment, if any. Reconciliations are carried out on ongoing basis. However, management does not expect to have any material financial impact of such pending confirmations / reconciliations.

(iii) These financial statements are presented in Indian Rupees which is the Company's functional currency. All financial information presented has been rounded to the nearest Lakh (up to two decimals), except when indicated otherwise.

(iv) In the opinion of the management, the value of assets, on realisation in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

(v) The project completion date, as stipulated in the concession agreement, was 14.02.2025. However, owing to unavoidable force majeure conditions, an extension of the project completion date up to 17.08.2026, has been sought from NHAI as well as from the lender bank.

44 Certain reclassifications and recasting have been made to the comparative period's financial statements to enhance comparability with the current year's financial statements. These reclassifications have no effect on the reported results of operations. Also previous year figures are shown under bracket () to differentiate from current year figures.

As per our report of even date attached
For Rakhecha & Co.
Chartered Accountants
ICAI Firm Registration No. : 002990N

Rakhecha & Co. New Delhi FRN-002990N Chartered Accountants

Anil Kumar
Partner
ICAI Membership No. : 518544
UDIN: 26518544BSICSR2204

Place: New Delhi
Date: 05.05.2026

For and on behalf of the Board of Directors

05-05-2026
Sanjay Bisariya
Director
(DIN:-11291128)

Masood Ahmad
Director
(DIN:-09008553)

Vikash Awasthi
Company Secretary
(ACS No. A75801)

Moh'd Hannan
Chief Financial Officer

05/5/2026
Lalit Kumar Verma
Chief Executive Officer

IRCON LUDHIANA RUPNAGAR HIGHWAY LIMITED CIN-U45309DL2021GOI391675

प्रधान निदेशक लेखापरीक्षा
का कार्यालय,
रेलवे वाणिज्यिक,
4, दीनदयाल उपाध्याय मार्ग
नई दिल्ली - 110002

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4, DEEN DAYAL UPADHYAYA
MARG, NEW DELHI-110002

संख्या: PDA/RC/AA-Ircon LRHL/3-54/2026-27/625 **दिनांक**: 11.06.2026

सेवा में,

मुख्य वित्त अधिकारी
इरकॉन लुधियाना रूपनगर हाईवे लिमिटेड,
C-4, District Center, Saket
नई दिल्ली - 110 0017

विषयः 31 मार्च 2026 को समाप्त वर्ष के लिए के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143 (6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ|

महोदय,

मैं, इरकॉन लुधियाना रूपनगर हाईवे लिमिटेड के 31 मार्च 2026 को समाप्त वर्ष के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143 (6) (b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रहा हूँ|

कृप्या इस पत्र की संलग्नको सहित प्राप्ति की पावती भेजी जाए|

भवदीय,

संलग्न :यथोपरि

तेग सिंह
प्रधान निदेशक (रेलवे वाणिज्यक)

Phone: +91-11-23239185 Fax: +91-11-23239187 E-mail: pdarlycom@cag.gov.in

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013, ON THE FINANCIAL STATEMENTS OF IRCON LUDHIANA RUPNAGAR HIGHWAY LIMITED FOR THE YEAR ENDED 31 MARCH 2026

The preparation of financial statements of IRCON Ludhiana Rupnagar Highway Limited for the year ended 31 March 2026 in accordance with the financial reporting framework prescribed under the Companies Act, 2013, is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act, based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 05 May 2026.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct supplementary audit of the financial statements IRCON Ludhiana Rupnagar Highway Limited for the year ended 31 March 2026 under Section 143 (6)(a) of the Act.

For and on the behalf of the
Comptroller & Auditor General of India

Place: New Delhi
Dated:11.06.2026

Teg Singh
Principal Director of Audit
Railway Commercial, New Delhi

IRCON LUDHIANA RUPNAGAR HIGHWAY LIMITED

(‘IrconLRHL’)

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Registered & Corporate Office:

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E-mail id: irconlrhl@gmail.com