

**IRCON INFRASTRUCTURE AND SERVICES
LIMITED**

**ANNUAL AUDITED FINANCIAL
STATEMENTS FY 2025-26**

Independent Auditor's Report

To the Members of M/s. Ircon Infrastructure and Services Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of ***Ircon Infrastructure and Services Limited ("the Company")*** which comprises 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 significant 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, the **profit**, total comprehensive **Income**, its cash flows and the changes in equity 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 specified under section 143(10) of the Act (SAs). 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 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statements.

Other Information

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the Director Report, but does not include the Ind AS financial statements and our auditor's report thereon. The Director 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 do 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 to us and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Director Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 ‘The Auditor’s Responsibilities Relating to Other Information’.

Management Responsibility for the Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statement 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, management is 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 management 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 Responsibility 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the 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 financial 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 system 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 the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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 a statement 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 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 loss, Statement of Changes in Equity and the Cash Flow Statement 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. On the basis of the written representations received from the directors as on 31st March, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. Being a government company, provisions of section 164(2) of the Act are not applicable pursuant to the notification no.G.S.R.463(E) dated 5 June 2015, issued by the Central Government of India
- g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company’s internal financial controls over financial reporting.
- h. 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. With respect to the matters to be included in the Auditor’s Report in accordance with the requirements of the section 197(16) of the Act, as amended:
 - i. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements.
 - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii) As informed to us, the company has no amount for transferring to the Investor Education and Protection Fund by the Company.
 - iv) (a) The management has represented to us that , to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any

other sources or kind of funds) by the Company or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented to us that to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company 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 (a) and (b) above, contain any material misstatement.

- v) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.
- vi) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with. Further, the audit trail has been preserved by the company as per the statutory requirements for record retention.

2. 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-B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
3. Our separate report on directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013 is attached as “Annexure C”.

For Mohan Gupta and Company
Chartered Accountants
FRN: 0006519N

Sd/-
(CA Himanshu Gupta)
Partner
M. No.527863
Place: New Delhi
Date: May 6,2026
UDIN: 26527863PQXUNO8879

Annexure - A to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **M/s IRCON Infrastructure & Services Limited** ("the Company") as of 31 March 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls 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 ('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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the standalone 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in

accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2026, 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.

For Mohan Gupta and Company
Chartered Accountants
FRN: 0006519N

Sd/-
(CA Himanshu Gupta)
Partner
M. No.527863
Place: New Delhi
Date: May 6,2026
UDIN: 26527863PQXUNO8879

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 of Report on Other Legal and Regulatory Requirements of the auditors' report of even date to the members of Ircon Infrastructure & Services Limited on the financial statements for the year ended 31st March, 2026)

In terms of information and explanations given to us and the books and records examined by us, we report that:

I)

- a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
(B) The Company has maintained proper records showing full particulars of intangible assets.
- b) The Property, Plant and Equipment were physically verified by the management during the year and no material discrepancies were noticed on such verification.
- c) The company does not own any immovable property as at the balance sheet date, accordingly, the provisions of clause 3 (i)(c) of the Order are not applicable to the Company and hence not commented upon.
- d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- e) No proceedings have been initiated or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

II) (A) The inventory (excluding inventory lying with third parties) has been physically verified by the management at reasonable intervals during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the coverage and procedure of such verification is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed.

(B) The Company has not been sanctioned working capital limits in excess of Rs.5 crore, in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

III) 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 made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies,

firms, Limited Liability Partnerships or any other parties. Hence, reporting under clause 3(iii) of the Order is not applicable.

IV) The Company has not made investments in, provided any guarantee or security or granted any loans or advances. Hence, reporting under clause 3(iv) of the Order is not applicable.

V) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

VI) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

VII)

a) The Company is regular in depositing undisputed statutory dues including provident fund, income tax, goods and service tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable with the appropriate authorities. Employees State Insurance is not applicable to the Company. According to the information and explanation given to us and based on audit procedures performed by us, there are no undisputed statutory dues which were outstanding as on 31.03.2026 for a period of more than six months from the date the same become payable. Except as under: Nil

b) Details of Statutory dues referred to in sub-clause (a) above which have not been deposited as on 31.03.2026 on account of dispute are given below:

Nature of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (in Rs crores)
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax-I (Appeals), New Delhi	FY 2018-2019	3.45
The Goods and Service Tax Act	Goods and Service Tax	Appellate Authority	FY 2019-2020	10.32
The Goods and Service Tax Act	Goods and Service Tax(M.P)	Appellate Authority	FY-2021-22& FY-2022-23	0.47

VIII) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

IX)

- a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- c) The Company has not taken any term loan during the year and therefore, reporting under clause 3(ix)(c) of the Order is not applicable.
- d) The Company has not raised funds on short term basis during the year and therefore, reporting under clause 3(ix)(d) of the Order is not applicable.
- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and therefore, reporting under clause 3(ix)(e) of the Order is not applicable.
- f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable.

X)

- a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

XI)

- a) No fraud by the Company and no fraud on the Company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed by cost auditor/ secretarial auditor or by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government
- c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

XII) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

XIII) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

XIV)

- a) The Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) The internal audit reports of the company issued till date of the audit report, for the period under audit have been considered by us.

XV) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

XVI)

- a) The Company is not required to be registered under section 45- IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, the requirement to report on clauses 3(xvi)(a) of the Order is not applicable to the Company.
- b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable
- d) There is no Core Investment Company as a part of the Group. Hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company

XVII) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

XVIII) There has been no resignation of the statutory auditors of the Company during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company

XIX) On the basis of the financial ratios disclosed in notes to the financial statements, 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)

- a) In respect of other than ongoing projects, there are no unspent amounts requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub section (5) of Section 135 of the said Act. Accordingly, the requirement to report on clause 3(xx) (a) of the Order is not applicable.
- b) There are no unspent amounts in respect of ongoing projects that are required to be transferred to a Special account in compliance with the provision of sub section (6) of section 135(6) of the said Act. Accordingly, the requirement to report on Clause 3(xx)(b) of the Order is not applicable.

XXI) In our opinion and according to the information and explanation given to us, there is no requirement of consolidation of financial statements of other entities applicable on the company and therefore this clause is not applicable to the company.

For Mohan Gupta and Company
Chartered Accountants
FRN: 0006519N

Sd/-
(CA Himanshu Gupta)
Partner
M. No.527863
Place: New Delhi
Date: May 6,2026
UDIN: 26527863PQXUNO8879

Annexure C

As required by section 143(5) of the Act and as per directions issued by Comptroller and Auditor General of India, we report on following that:

S.NO	CAG Directions	Auditors 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 Company contributes employees' pension to the National Pension System and provident fund to the respective Provident Fund authorities. The gratuity liability is determined and recognized in the books of accounts based on actuarial valuation and is not separately invested. Accordingly, the requirement of fair valuation of investments for post-retirement benefits is not applicable to the Company, as contributions are made directly to statutory authorities governed by their respective regulatory frameworks.
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 empaneled 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/s 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? Whether accounting of interest earned on grants received has been done as per terms and conditions of the Grant. List the cases of deviation.	No funds have been received/receivables from any Central/State Government or its agencies for any specific schemes during the financial year 2025-2026.
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 global best 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 the Company.
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For Mohan Gupta and Company
Chartered Accountants
FRN: 0006519N

Sd/-
(CA Himanshu Gupta)
Partner
M. No.527863
Place: New Delhi
Date: May 6,2026
UDIN: 26527863PQXUNO8879

Particulars	Note No.	As at 31st March 2026	As at 31st March 2025
I. ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	3	13.57	18.59
(b) Intangible Assets	4	72.22	74.37
(c) Financial Assets	5		
(i) Loans	5.1	0.01	0.01
(ii) Others Financial Assets	5.2	-	0.06
(d) Deferred Tax Asset (Net)	6	14.22	13.43
Total		100.02	106.46
2 Current Assets			
(a) Inventories	7	0.31	0.32
(b) Financial Assets	8		
(i) Trade Receivables	8.1	57.33	64.42
(ii) Cash and cash equivalents	8.2	13.15	15.95
(iii) Other bank balances	8.3	115.13	117.09
(iv) Loans	8.4	-	0.01
(v) Other financial assets	8.5	27.34	21.69
(d) Current tax assets (net)	9	1.21	0.03
(c) Other current assets	10	12.30	21.98
Total		226.77	241.49
Assets held for Sale	11	0.45	-
Total Assets		327.24	347.95
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	12	65.00	65.00
(b) Other Equity	13	118.17	120.12
Total		183.17	185.12
2 Liabilities			
(i) Non-Current Liabilities			
(a) Financial Liabilities	14		
(i) Other financial liabilities	14.1	24.01	21.83
(b) Provisions	15	0.41	0.48
(c) Other Non-Current Liabilities	16	15.22	15.95
Total		39.64	38.26
3 Current Liabilities			
(a) Financial Liabilities	17		
(i) Trade payables	17.1		
- Total outstanding dues of micro enterprises and small enterprises and		0.29	0.55
- Total outstanding dues of creditors other than micro enterprises and small enterprises		25.30	26.87
(ii) Other financial liabilities	17.2	21.85	26.27
(b) Other current liabilities	18	49.84	63.86
(c) Provisions	19	0.21	0.08
(d) Current Tax Liabilities (Net)	20	6.94	6.94
Total		104.43	124.57
Total Equity and Liabilities		327.24	347.95

Summary of material accounting policies information

2

The accompanying notes (1 to 45) are an Integral part of the financial statements.

As per our Report of even date attached

For Mohan Gupta and Company

Chartered Accountants

ICAI Firm Registration No. - 006519N

Sd/-

CA. Himanshu Gupta

(Partner)

ICAI Membership No. 527863

For and on behalf of the Board of Directors of

IRCON Infrastructure and Services Limited

Sd/-

Alin Roy Choudhury

Director

(DIN-10489550)

Sd/-

Surender Singh

Chairman

(DIN- 09214484)

Sd/-

Atul Kumar

Sd/-

Ajay Pal Singh

Sd/-

Manisha Gupta

C.F.O

C.E.O

Company Secretary

Place : New Delhi

Date : 06th May 2026

Particulars	Note No.	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Revenue :			
I Revenue from operations (Net)	21	85.66	110.88
II Other income	22	6.79	5.75
III Total Income (I+II)		92.45	116.63
IV Expenses:			
Cost of Material Consumed	23	0.01	4.77
Operating Expenses	24	60.69	70.42
Employee Benefits Expense	25	9.76	10.89
Depreciation and Amortization Expenses & Impairment	26	6.81	4.97
Other Expenses	27	5.46	13.84
Total Expenses (IV)		82.73	104.89
V Profit/(Loss) before tax (III - IV)		9.72	11.74
VI Less:- Tax expense:	6		
(1) Current tax			
- For the year		3.26	5.01
- For earlier years (net)		0.02	(0.80)
(2) Deferred tax (net)		(0.77)	(9.84)
Total Tax Expense (VI)		2.51	(5.63)
VII Profit/(Loss) after tax (V - VI)		7.21	17.37
VIII Other Comprehensive Income	28		
A. (i) Items that will not be reclassified to profit and loss		(0.08)	(0.04)
(ii) Income Tax relating to Items that will not be reclassified to profit and loss		0.02	0.01
B. (i) Items that will be reclassified to profit and loss		-	-
(ii) Income Tax relating to Items that will be reclassified to profit and loss		-	-
		(0.06)	(0.03)
IX Total Comprehensive Income for the year (VII +VIII)		7.15	17.34
X Earnings Per Equity Share:			
(1) Basic (in Rs.)	29	1.11	2.67
(2) Diluted (in Rs.)		1.11	2.67
Face Value per equity share (in Rs)		10.00	10.00

Summary of material accounting policies information

2

The accompanying notes (1 to 45) are an Integral part of the financial statements.

As per our Report of even date attached

For Mohan Gupta and Co.

Chartered Accountants

ICAI Firm Registration No. - 006519N

Sd/-

CA. Himanshu Gupta

(Partner)

ICAI Membership No. 527863

Place : New Delhi

Date : 06th May 2026

For and on behalf of the Board of Directors of

IRCON Infrastructure and Services Limited

Sd/-

Alin Roy Choudhury

Director

(DIN-10489550)

Sd/-

Surender Singh

Chairman

(DIN- 09214484)

Sd/-

Atul Kumar

C.F.O

Sd/-

Ajay Pal Singh

C.E.O

Sd/-

Manisha Gupta

Company Secretary



Particulars		For the period ended 31st March 2026	For the period ended 31st March 2025
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before taxation		9.72	11.74
Adjustment for :			
Depreciation, amortization and impairment		6.82	4.97
Loss / (Profit) on disposal of assets (net)		(0.00)	(0.00)
Interest Income		(5.88)	(5.33)
Gratuity, leave encashment and PRP.		(0.08)	0.04
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents		(0.79)	0.00
Provision on Doubtful Debts		1.22	8.32
Operating Profit before change in working capital	(1)	10.99	19.74
Adjustment for change in working capital			
Decrease / (Increase) in Inventories		0.01	4.77
Decrease / (Increase) in Trade Receivables		5.87	(4.82)
Decrease / (Increase) in Loans		0.01	0.02
Decrease / (Increase) in Other Financial Assets		(5.94)	(2.12)
Decrease / (Increase) in Other Current Assets		9.68	4.03
(Decrease) / Increase in Other Non-current Liability		(0.73)	(0.89)
(Decrease) / Increase in Trade Payables		(1.82)	(9.29)
(Decrease) / Increase in Other Financial Liability		(2.23)	3.58
(Decrease) / Increase in Other Current Liability		(14.04)	(20.50)
(Decrease) / Increase in Provisions		0.06	0.04
	(2)	(9.13)	(25.19)
Cash generated from operation	(1+2)	1.86	(5.45)
Income Tax Paid (Net of Refunds)		(4.46)	(5.01)
NET CASH FROM OPERATING ACTIVITIES	(A)	(2.60)	(10.47)
CASH FLOW FROM INVESTING ACTIVITIES			
Capital Expenditure on Property, Plant & Equipment's and Intangible Assets		(0.14)	(0.15)
Sale of Property, Plant & Equipment's and Intangible Assets		0.04	0.02
Interest Received		6.27	5.60
Decrease / (Increase) in Deposit with Banks		1.94	4.17
NET CASH FROM INVESTING ACTIVITIES	(B)	8.12	9.64
CASH FLOW FROM FINANCING ACTIVITIES			
Interim Dividend paid		(4.19)	(2.50)
Final Dividend paid		(4.91)	(6.33)
NET CASH FROM FINANCING ACTIVITIES	(C)	(9.10)	(8.83)



Particulars		For the period ended 31st March 2026	For the period ended 31st March 2025
Effect of Exchange differences on translation of Foreign Currency Cash & Cash Equivalents	(D)	0.79	(0.00)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	(A+B+C+D)	(2.80)	(9.66)
Components of Cash and Cash Equivalents			
CASH AND CASH EQUIVALENT (OPENING)	(E)	15.95	25.61
Balance with Banks			
– Current Accounts		4.08	6.76
– Flexi Accounts		11.87	11.55
– Deposits with original maturity period less than 3 months		-	7.30
CASH AND CASH EQUIVALENT (CLOSING)	(F)	13.15	15.95
Balance with Banks			
– Current Accounts		1.24	4.08
– Flexi Accounts		11.91	11.87
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	(F - E)	(2.80)	(9.66)

Note:

1. Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information
2. The above Cash flow Statement has been prepared under the “Indirect Method” as set out in the Indian Accounting Standard (Ind AS) - 7 on Statement of Cash Flows.
3. Figures in brackets represent outflow of cash.
4. Figures of the previous year have been regrouped / recasted wherever necessary.

Summary of material accounting policies information 2
The accompanying notes (1 to 45) are an Integral part of the financial statements.

As per our Report of even date attached
For Mohan Gupta & Company
Chartered Accountants
ICAI Firm Registration No. - 006519N

Sd/-
CA Himanshu Gupta
(Partner)
ICAI Membership No. 527863

Place : New Delhi
Date : 06th May 2026

For and on behalf of the Board of Directors of
IRCON Infrastructure and Services Limited

Sd/-
Alin Roy Choudhury
Director
(DIN-10489550)

Sd/-
Surender Singh
Chairman
(DIN- 09214484)

Sd/-
Atul Kumar
C.F.O

Sd/-
Ajay Pal Singh
C.E.O

Sd/-
Manisha Gupta
Company Secretary

A. Equity share capital¹

Particulars	Balance as at 31st March, 2026	Balance as at 31st March, 2025
Opening Balance	65.00	65.00
Changes in Equity Share Capital due to prior period errors	-	-
Restated Balance at the beginning of the Current Reporting Period	-	-
Changes in equity share capital during the previous year	-	-
Closing Balance	65.00	65.00

¹Refer Note 12**B. Other Equity²**

Particulars	Reserve & Surplus		
	General Reserve	Retained Earnings	Total
Balance as at April 01, 2024	88.89	22.72	111.61
Profit/(Loss) for the year	-	17.37	17.37
Other Comprehensive Income for the year, net of Income Tax	-	(0.03)	(0.03)
Total Comprehensive Income	88.89	40.06	128.95
Interim Dividend paid during the year	-	(2.50)	(2.50)
Final Dividend paid during the year	-	(6.33)	(6.33)
Balance as at March 31, 2025	88.89	31.23	120.12
Profit/(Loss) for the year	-	7.21	7.21
Other Comprehensive Income for the year, net of Income Tax	-	(0.06)	(0.06)
Total Comprehensive Income	88.89	38.38	127.27
Interim Dividend paid during the year	-	(4.19)	(4.19)
Final Dividend paid during the year	-	(4.91)	(4.91)
Balance as at March 31, 2026	88.89	29.28	118.17

²Refer Note 13

Summary of material accounting policies information

2

The accompanying notes (1 to 45) are an Integral part of the financial statements.

For and on behalf of the Board of Directors of
IRCON Infrastructure and Services Limited

As per our Report of even date attached

For Mohan Gupta and Co.

Chartered Accountants

ICAI Firm Registration No. - 006519N

Sd/-
Alin Roy Choudhury
Director
(DIN-10489550)

Sd/-
Surender Singh
Chairman
(DIN- 09214484)

Sd/-

CA. Himanshu Gupta
(Partner)
ICAI Membership No. 527863

Sd/-

Atul Kumar
C.F.O

Sd/-

Ajay Pal Singh
C.E.O

Sd/-

Manisha Gupta
Company Secretary

Place : New Delhi

Date : 06th May 2026

IRCON Infrastructure and Services Limited
Notes to Financial Statements for the year ended 31 March, 2026

1. Corporate Information

Ircon Infrastructure & Services Limited is a wholly owned Subsidiary Company of Ircon International Limited. The company domiciled in India and is incorporated under the provisions of the companies Act applicable in India. The Company had initially incorporated for Construction and development of Multi-Functional Complexes (MFCs) at identified Railway stations to provide amenities to Railway users. Also, the company diversified progressively to Infrastructure Consultancy Projects, Preparation of DPR and FS, Project Management Consultancy Projects, Supply of Manpower, Leasing of Plant & Machinery, Sub- Leasing of MFCs and execution of CSR projects of various clients including Holding Company. The Company caters to both domestic and international markets. The registered office of the company is located at C-4, District Centre, Saket, New Delhi – 110017.

The presentation and functional currency of the company is Indian Rupees (INR). Figures in financial statements are presented in crore, by rounding off upto two decimals except for per share data and as otherwise stated.

The financial statements are approved for issue by the company's Board of Directors in their meeting held on 6th May 2026

2. Material Accounting Policies

2.1. Basis of preparation of Financial Statements

i) Statement of compliance

The standalone 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 standalone financial statements.

ii) Basis of measurement

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

- Defined benefit plans and other long-term employee benefits.

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 realization 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.

IRCON Infrastructure and Services Limited
Notes to Financial Statements for the year ended 31 March,2026

2.2.2. Property, plant and equipment

Property, plant and equipment are initially stated at cost.

The cost of property, plant and equipment comprises:

- (a) its purchase price, net of any trade discount and rebates including non-refundable purchase taxes, after deducting trade discounts and rebates;
- (b) any costs directly attributable to 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 recognized 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.

Cost of replacement, major inspection, repair of significant parts and machinery spares are capitalized if the recognition criteria are met.

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. However, in case of certain class of assets, the Company uses different useful life than those prescribed in Schedule II of the Companies Act, 2013.

The useful life has been assessed based on technical evaluation, taking into account the nature of classes of assets, the estimated usage of the asset on the basis of the management's best estimation of getting economic benefits from the asset. The estimated useful life as per the technical evaluation viz-a-viz Schedule II of the Companies Act, 2013 has been disclosed in the notes to accounts. The residual values are not more than 5% of the original cost of assets.

Each part of an item of Property, Plant and Equipment is depreciated separately if the cost of part is significant in relation to the total cost of the item and useful life of that part is different from the useful life of remaining asset.

Property, plant and equipment acquired during the period, individually costing up to Rs. 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 statement of profit or loss within other gains/(losses).

2.2.3. Intangible assets

The Company received the development rights of MFCs (Multi-functional complexes) on the land of RLDA (Rail Land Development Authority). Cost that are directly attributable to the development of identifiable intangible assets controlled by the Company including borrowing cost are recognised as intangible assets only when it meets the criteria set out in Ind AS 38 and capitalized when the project

IRCON Infrastructure and Services Limited
Notes to Financial Statements for the year ended 31 March,2026

is complete in all respects.

Subsequently, Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized over their respective estimated useful lives on a straight- line basis and is charged to the statement of profit and loss account. The estimated useful life has been disclosed in the notes to account.

Software cost up to Rs. 1.00 Lakhs in each case is fully amortized in the year of purchase.

Amortization 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 statement of profit or loss within other gains/(losses).

2.2.4. 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 recognised 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.

2.2.5. Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined on First in First out (FIFO) basis.

Loose tools are charged as expense in the period of purchase.

2.2.6. Revenue Recognition

i) Revenue from Project Management Consultancy (PMC) Services:

In all PMC Contracts, the Company recognise revenue for a performance obligation satisfied over time after reasonably measuring its progress towards complete satisfaction of the performance obligation. Revenue is booked on gross basis where the company acts as a principal and on net amount that it retains for its services, in case the company acts as an agent. The Company has recognised revenue by considering the substance of the contracts.

When the performance obligations are satisfied over time, the Company recognises revenue using input method (i.e., percentage-of-completion method), based primarily on contract cost incurred to date compared to total estimated contract costs. Changes to total estimated contract costs, if any, are recognised in the period in which they are determined as assessed at the contract level.

Revenue is measured at the transaction price that is allocated to the performance obligation and it excludes amounts collected on behalf of third parties and is adjusted for variable consideration, if any.

Variability in the transaction price arises primarily due to liquidated damages, price variation clauses, changes in scope, if any. The Company considers its experience with similar transactions and

IRCON Infrastructure and Services Limited
Notes to Financial Statements for the year ended 31 March,2026

expectations regarding the contract in estimating the amount of variable consideration to which it will be entitled and determining whether the estimated variable consideration should be constrained. The estimates of variable consideration are based largely on an assessment of anticipated performance and all information (historical, current and forecasted) that is reasonably available. 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 modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to the existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if additional services are priced at the standalone selling price, or as a termination of existing contract and creation of a new contract if not priced at the standalone selling price.

ii) Revenue from rendering services of supply of manpower, maintenance of track/facility maintain ace and hiring of machinery:

The Company recognises revenue on satisfaction of the performance obligation by transferring the promised service (i.e., supply of agreed manpower/maintenance of track & facility maintenance/hiring of machinery) as mentioned in the contract with the customer. Such services are recognised as a performance obligation satisfied over time using Input method because the customer simultaneously receives and consumes the benefit provided by the Company.

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.

iii) other income

- Interest income is recognised using Effective Interest rate method.
- Miscellaneous income is recognised when performance obligation is satisfied and right to receive the income is established as per terms of contract.

IRCON Infrastructure and Services Limited
Notes to Financial Statements for the year ended 31 March,2026

2.2.7. 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 capitalization as part of qualifying assets as per Ind AS 23.

2.2.8. Employee Benefit

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 the period in which the employee renders the related services.

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

a) Defined Contribution Plan

For the regular employee,

- i. The Company has a defined contribution employee pension scheme in which the Company deposit contribution toward employee pension scheme through NPS and are charged to the statement to the Profit and loss for the year when the contributions are due.
- ii. The Company pays fixed contribution to the recognised provident fund at predetermined rates to EPFO. The contributions to the fund for the period are recognised as expense and are charged to statement of profit and loss. The obligation of the company is to make such fixed contributions.

b) Defined Benefit Plan

The Company's liability towards gratuity are in the nature of defined benefit plans.

The gratuity is nonfunded by the Company and recognised as expense in the statement of profit and loss. The calculation is performed by an independent actuary using the projected unit credit method and provided for if the circumstances indicate that the Company may not be able to generate adequate returns to cover the interest rates notified by the Government.

The Company's net obligation in respect of defined benefit plans is measured separately for each plan 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. The fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) is recognised in other comprehensive income and is reflected in retained earnings.

IRCON Infrastructure and Services Limited
Notes to Financial Statements for the year ended 31 March,2026

The few employees of the Company are on deputation from Ircon International Limited, Holding Company.

As per arrangement with the Ircon International Limited, Holding Company, the cost in relation to post employee benefits & 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.

The company's liability with respect to the long-term employee benefit 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.

c) Other long-term employee benefits

The Company treats leave encashment expected to be carried forward beyond twelve months and leave travel concession as long-term employee benefit for measurement purposes. The obligation recognised in respect of these long-term benefits is measured at present value of the obligation based on actuarial valuation using the projected unit credit method.

Long term employee benefit costs comprising current service cost, interest cost and gains or losses on curtailments and settlements, re-measurements including actuarial gains and losses are recognised in the statement of profit and loss as employee benefit expenses.

2.2.9. 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 recognised in statement of profit and loss except to the extent it relates to items recognised outside profit or loss in which case it is recognised either in other comprehensive income or in equity. 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 for temporary taxable/deductible difference arising on the difference of tax base and accounting base of assets/liabilities using the liability method and are measured at the enacted tax rates or substantively enacted tax rates at reporting date.

Deferred tax is recognised in statement of profit and loss except to the extent it relates to items recognised outside profit or loss, in which case it is recognised either in other comprehensive income or in equity.

IRCON Infrastructure and Services Limited
Notes to Financial Statements for the year ended 31 March,2026

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.

2.2.10. Foreign Currencies

i) Functional and presentation currency

The financial statements are presented in Indian Rupees which is also the functional and presentation currency of the Company.

ii) Transactions and balances

Foreign currency transactions are recorded on initial recognition in the functional currency, by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items outstanding at the reporting date are converted to functional currency using the closing rate (Closing selling rates for liabilities and closing buying rate for assets). Non-monetary items denominated in a foreign currency which are carried at historical cost are not retranslated and are reported using the exchange rate at the date of the transactions.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise. and are presented on net basis.

2.2.11. 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.

2.2.12. Dividend

Annual Dividend distribution to the Company's equity shareholders is recognized as liability in the period in which dividend is approved by the shareholders. Any interim dividend is recognized as liability on approval by the Board of Directors.

2.2.13. Provisions, contingent liabilities and contingent assets

i) Provisions

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

IRCON Infrastructure and Services Limited
Notes to Financial Statements for the year ended 31 March,2026

This provision are reviewed at each reporting date and adjusted to reflect the current best estimates.

ii) 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. Contingent liabilities has been disclosed as a part of notes to account.

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

iii) Contingent assets

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

2.2.14. 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.

i) Company as a lessee

The Company has taken land on lease from RLDA, on which the Company has developed the MFCs for further earning income. The lease is in operating nature as RLDA does not transfer substantially all the risks and rewards incidental to ownership of an asset to the Company. Rental expenses are accounted as operating expenses in the statement of profit or loss account.

ii) 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 and leases of low value assets. The company recognise lease payments associated with these leases as an expense on a straight-line basis over the lease term.

iii) Company as a lessor

The Company has right to earn income by renting the MFCs (multi-functional complexes) developed on the land of RLDA. Rental income arising are accounted over the renting period and is included in revenue in the statement of profit or loss account due to its operating nature.

2.2.15. Financial instruments

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

i. Financial assets

a) Initial recognition and measurement

IRCON Infrastructure and Services Limited
Notes to Financial Statements for the year ended 31 March,2026

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.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as expense/ income in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for financial assets measured at amortised cost is described below:

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

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

IRCON Infrastructure and Services Limited
Notes to Financial Statements for the year ended 31 March,2026

attributable transaction costs.

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

b) Subsequent measurement

Financial liabilities at amortized cost

After initial recognition, 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.

2.2.16. 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 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.

2.2.17. 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.

2.2.18. Non-current asset held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset or disposal group is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn, and sale is expected within one year from the date of the classification. Disposal groups classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell. Property, plant and equipment, investment property and intangible assets are not depreciated or amortized once classified as held for sale. Assets classified as held for sale/distribution are presented separately in the balance sheet.

If the criteria stated by IND AS 105 "Non-current Assets Held for Sale" are no longer met, the disposal

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group ceases to be classified as held for sale. Non-current asset that ceases to be classified as held for sale are measured at the lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for depreciation that would have been recognised had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale. The depreciation reversal adjustment related property, plant and equipment, investment property and intangible assets is charged to statement of profit and loss in the period when non-current assets held for sale criteria are no longer met.

2.2.19. 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.

2.2.20. Significant accounting estimates and judgements

The preparation of Standalone 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:

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. Defined benefit plans

The costs of post-retirement benefit obligation other than deputed employees are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increase, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iii. 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.

iv. 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.

v. 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 recognised 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.

vi. 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.

vii. Non-current asset held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset or disposal group is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn, and sale is expected within one year from the date of the classification.

viii. Revenue recognition

The Company's revenue recognition policy 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.

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 losses
- Estimated total revenues and estimated total costs to completion, including claims and variations.

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

3 Property, Plant and Equipment

Particulars	Plant & Machinery	Computers	Furniture, Fixtures, Furnishings	Office Equipment's	Vehicle	Total
Gross Block (At Cost)						
At 01st April 2024	34.35	0.40	0.19	0.12	0.04	35.11
Additions	-	0.07	0.04	0.02	-	0.14
Disposals/Adjustments	-	-0.08	-0.01	-0.01	-	-0.10
At 31st March 2025	34.35	0.39	0.23	0.14	0.04	35.15
Additions	-	0.08	0.01	0.05	-	0.14
Disposals/Adjustments	-	-0.05	-0.01	-0.01	-	-0.07
Transfer to Assets held for sale (refer note 11)	-3.80	-	-	-	-	-3.80
At 31st March 2026	30.55	0.42	0.23	0.18	0.04	31.42

Accumulated Depreciation and impairment

At 01st April 2024	13.41	0.28	0.05	0.05	0.02	13.82
Depreciation charge for the year	2.72	0.07	0.02	0.02	0.00	2.82
Disposals/Adjustments	-	-0.07	-0.01	-0.00	-	-0.08
At 31st March 2025	16.13	0.28	0.07	0.06	0.02	16.57
Depreciation charge for the year	2.66	0.07	0.02	0.03	0.00	2.77
Disposals/Adjustments	-	-0.03	-0.00	-0.00	-	-0.04
Transfer to Assets held for sale (refer note 11)	-1.45	-	-	-	-	-1.45
At 31st March 2026	17.34	0.32	0.09	0.09	0.02	17.85

Net book value

At 31st March 2025	18.22	0.11	0.16	0.07	0.02	18.59
At 31st March 2026	13.21	0.10	0.14	0.09	0.02	13.57

Notes:-

Depreciation is provided based on useful life supported by the technical evaluation considering business specific usage, the consumption pattern of the assets and the past performance of similar assets.

Estimated useful life of assets are as follows:

Class of Assets	Useful lives as per Schedule II (in Years)	Useful life adopted based on technical evaluation (in years)
Plant and Machinery *	8-15	1-15
Computers	3-6	3-6
Office Equipment's	5-10	5-10
Furniture and fixtures	10	10
Vehicles	8-10	8-10

* Each significant component of the asset has been considered for determination of useful life of the assets.

***Notes:-**

a) The Company does not have any capital work in progress as on reporting date.

b) The company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the company.

c) During the year Property, Plant & Equipment of the company has not been revalued.

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**4 Intangible Assets**

Particulars	Development Right	Total
Gross Block		
As at 01st April 2024	95.15	95.15
Addition during the year	-	-
Adjustment	-	-
As at 31st March 2025	95.15	95.15
Addition during the year	-	-
Adjustment	-	-
As at 31st March 2026	95.15	95.15
Amortisation and Impairment		
As at 01st April 2024	18.63	18.63
Amortisation	2.15	2.15
Impairment	-	-
Adjustment	-	-
As at 31st March 2025	20.78	20.78
Amortisation	2.15	2.15
Impairment	-	-
Adjustment	-	-
As at 31st March 2026	22.93	22.93
Net book value		
As at 31 March 2026	72.22	72.22
As at 31 March 2025	74.37	74.37

1. The Company received the development rights of MFCs (Multi functional complexes) on the land of RLDA (Rail Land Development Authority). Cost that are directly as attributable to the development of identifiable intangible assets controlled by the Company including borrowing cost are recognised as intangible assets only when it meets the criteria set out in Ind AS 38 and capitalized when the project is complete in all respects.

2. The Development Rights has been amortised over the estimated useful life of development rights on pro-rata basis. Amortization of development rights are initiate from the date in which the concerned project comes into commercial operations . The amount amortised during the year Rs 2.15 crore (F.Y 2024-25 Rs 2.15 crore)

3. The Company has not revalued its intangible assets during the year.

4. The Company does not having any Intangible Assets under development during the year.

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5 Non - Current Financial Assets**5.1 Loans**

Particulars	As at 31st March 2026	As at 31st March 2025
A.Considered Good: Secured, Staff Loan¹	0.01	0.01
Total	0.01	0.01

¹Loans and Advances stated above do not include debts due by officers of the company, firm in which director is a partner or private company in which director is a member and any other related party.

5.2 Other financial assets

Particulars	As at 31st March 2026	As at 31st March 2025
Fixed deposits having remaining maturity of more than 12 months (Bank Guarantee) ¹	-	0.05
Interest Accrued on Staff Loans & Advances	-	0.01
Total	-	0.06

¹ Rs 0.004 Crore as on 31st March 2026 (31st March 2025 Rs. 0.047 crore) represents fixed deposit pledged to Statutory Authorities/other Parties against ongoing projects.

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6 Deferred Tax Assets and Income Tax

Disclosure pursuant to Ind AS 12 "Income Taxes"

(a) The major components of income tax expense for the year ended 31 March 2026 and 31 March 2025 are :

S.No.	Particulars	For the Year ended	
		As at 31st March 2026	As at 31st March 2025
1	Profit and Loss Section		
	Current income tax :		
	Current income tax charge	3.26	5.01
	Adjustment in respect of current tax of previous year	0.02	(0.80)
	Deferred tax :		
	Relating to origination and reversal of temporary differences	(0.77)	(9.84)
	Income tax expense reported in the Profit and Loss section	2.51	(5.63)
2	Other Comprehensive Income (OCI) Section		
	Income tax related to items recognised in OCI during the year:		
	Net loss/(gain) on remeasurements of defined benefit plans	0.02	0.01
	Net loss/(gain) on foreign operation translation	-	-
	Income tax expense reported in the OCI section	0.02	0.01

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2026 and 31 March 2025:

S.No.	Particulars	For the Year ended	
		As at 31st March 2026	As at 31st March 2025
1	Accounting profit before income tax	9.72	11.74
2	Corporate tax rate as per Income tax Act, 1961	25.17%	25.17%
3	Tax on Accounting profit (3) = (1) * (2)	2.45	2.95
4	Effect of Tax Adjustments:		
(i)	Adjustments in respect of current income tax of previous years	0.02	(0.80)
(ii)	<u>Non-deductible expenses for tax purposes:</u>		
	-Other non-deductible expenses	0.05	0.05
(iii)	Tax effect of various other items		
	-Reversal of deferred tax on intangible assets	-	(8.14)
	-Others	0.02	(0.19)
(iv)	Due to Change in Tax Rate	-	0.49
5	Income tax expense reported in the Statement of Profit and Loss	2.53	(5.64)
6	Effective Tax Rate	26.04%	-48.07%

(c) Components of deferred tax (assets) and liabilities recognised in the Balance Sheet and Statement of Profit or Loss

S.No.	Particulars	Balance sheet		Profit and Loss	
		As at 31st March 2026	As at 31st March 2025	As at 31st March 2026	As at 31st March 2025
1	Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation	0.14	0.71	(0.57)	(9.74)
2	Provisions	(12.15)	(11.81)	(0.34)	(0.60)
3	Deferred tax Assets on One Time Down payment of MFC	(2.21)	(2.33)	0.12	0.49
	Net (deferred tax assets)/liabilities	(14.22)	(13.43)	(0.79)	(9.85)

(d) Reflected in the balance sheet as follows:

S.No.	Particulars	As at 31st March 2026	As at 31st March 2025
1	Deferred tax assets	(14.36)	(14.14)
2	Deferred tax liability	0.14	0.71
	(Deferred Tax Asset)/Liabilities (Net)	(14.22)	(13.43)

Note: Deferred tax assets and deferred tax liabilities have been offset as they relate to the same taxation authority.

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

As at 31st March 2026

S.No.	Particulars	Net balance As at 1st April 2025 (Net)	Recognised in statement of profit and loss	Recognised in OCI	Net Balance As at 31st March 2026 (Net)
1	Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation	0.71	0.57	-	0.14
2	Provisions	(11.81)	0.32	0.02	(12.15)
3	Deferred tax Assets on One Time Down payment of MFC	(2.33)	(0.12)	-	(2.21)
	Net deferred tax assets/(liabilities)	(13.43)	0.77	0.02	(14.21)

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

As at 31st March 2025

S.No.	Particulars	Net balance As at 1st April 2024 (Net)	Recognised in statement of profit and loss	Recognised in OCI	Net Balance As at 31st March 2025 (Net)
1	Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation	10.44	9.74	-	0.71
2	Provisions	(11.20)	0.60	0.01	(11.81)
3	Deferred tax Assets on One Time Down payment of MFC	(2.83)	(0.49)	-	(2.33)
	Net deferred tax assets/(liabilities)	(3.59)	9.85	0.01	(13.43)

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Current Assets**7 Inventories**

Particulars	As at 31st March 2026	As at 31st March 2025
Spares and Consumables (valued at cost or NRV whichever is lower unless otherwise specified)	0.31	0.32
Total	0.31	0.32

8 Current: Financial Assets**8.1 Trade Receivables**

Particulars	As at 31st March 2026	As at 31st March 2025
Trade receivables ¹	57.33	64.42
Total	57.33	64.42

¹Break-up for Trade Receivables

Particulars	As at 31st March 2026	As at 31st March 2025
Secured, considered good	14.23	14.07
Unsecured, considered good		
(a) From Related Party - Ircon International Limited	14.95	6.78
(b) From Others	12.03	39.16
Trade Receivables which have significant increase in credit risk	19.70	6.79
Trade Receivables - credit impaired	44.07	44.06
	104.98	110.86
Impairment Allowance (allowance for bad and doubtful debts)		
Unsecured, considered good		
Trade Receivables which have significant increase in credit Risk	(3.58)	(2.37)
Trade Receivables - credit impaired	(44.07)	(44.06)
Total	57.33	64.43

1) Trade Receivable stated above do not include debts due by directors, other officers of the company, firm in which Director is a partner or private company in which director is a member except stated above.

2) Refer Note No 36 for ageing

8.2 Cash and Cash Equivalents

Particulars	As at 31st March 2026	As at 31st March 2025
<i>Balances with banks:</i>		
– On current accounts ¹	1.24	4.08
– Flexi Accounts ¹	11.91	11.87
Total	13.15	15.95

¹Out of Rs. 13.15 cr, Rs. 9.06 cr is client fund as on 31st March 2026 (31st March 2025 Out of Rs. 15.95 cr, Rs. 11.19 cr is client fund) on which interest is passed on to them.

8.3 Other Bank Balances

Particulars	As at 31st March 2026	As at 31st March 2025
Other Bank Balances		
– Deposits with original maturity of more than 3 months but less than 12 months ¹	115.13	117.09
Total	115.13	117.09

¹Out of Rs. 115.13 crore as at 31 March 2026, Rs. 51.39 crore represents client funds on which the interest earned is passed on to the respective clients. The balance Rs. 63.74 crore represents the Company's own funds, of which Rs. 0.74 crore is placed in fixed deposits with banks against bank guarantees. (Previous year: out of Rs. 117.09 crore as at 31 March 2025, Rs. 47.99 crore represented client funds on which the interest earned was passed on to the respective clients.)

8.4 Loans

Particulars	As at 31st March 2026	As at 31st March 2025
A.Considered Good: Secured, Staff Loan¹	-	0.01
Total	-	0.01

¹Loans and Advances stated above do not include debts due by officers of the company, firm in which director is a partner or private company in which director is a member and any other related party.

8.5 Other Financial Assets

Particulars	As at 31st March 2026	As at 31st March 2025
Considered Good: Unsecured		
Fixed deposits with original maturity more than 12 month but remaining maturity less than 12 months) ¹	0.39	0.32
Security deposits		
- With Statutory Departments	-	-
- With Others	2.32	1.02
Interest Accrued on Fixed Deposit with bank's	2.28	2.66
Earnest Money Deposit	0.45	0.15
Contract Assets		
Billable Revenue ²	16.09	12.96
Retention Money with client	2.57	2.82
Money Withheld by Client	3.24	1.76
Total	27.34	21.69

¹Rs. 0.39 crore as on 31st March 2026 represents fixed deposits placed with Statutory Authorities. (Rs. 0.32 crore as on 31st March 2025 represents fixed deposits placed with Statutory Authorities)

² Out of Rs 16.09 Cr (P.Y 12.96 Cr), Rs 0.88 Cr (P.Y 0.95 Cr) pertains to related parties.

9 Current tax assets (net)

Particulars	As at 31st March 2026	As at 31st March 2025
Taxes Paid including TDS & Advance Tax (Net of Provision for Tax)	1.21	0.03
Total	1.21	0.03

10 Other Current Assets

Particulars	As at 31st March 2026	As at 31st March 2025
Considered Good: Unsecured		
Advances Other than Capital advances		
Advance to Contractor*	2.36	3.45
Others		
Balance With Revenue Authority		
-Goods and Service Tax**	9.93	18.52
Prepaid Expenses	0.01	0.01
Total	12.30	21.98

Note:-

*Advances mentioned above does not includes debts due by directors, other officers of the company, firm in which Director is a partner or private company in which director is a member.

**Including Goods and Services Tax amounting to Rs. 0.56 crore (Previous Year: Rs. 0.56 crore), which was paid under dispute. Refer Note 30 for further details.

11 Assets held for Sale

Particulars	As at 31st March 2026	As at 31st March 2025
Assets held for Sale	0.45	-
Total	0.45	-
Property, Plant & Equipment held for disposal Valued at lower of the realizable value and book value, relevant details are given		
Block of Assets and Description of the Assets	As at 31st March 2026	As at 31st March 2025
Plant and Machinery		
Gross Block Value	3.80	-
Accumulated Depreciation as at the date of classification as held for sale	-1.45	-
Net Block Value as at the date of classification as held for sale	2.34	-
Fair value of assets as at the date of classification as held for sale	0.45	-
Assets held for sale (measured at the lower of fair value less costs to sell and net block value)	0.45	-
Loss on remeasurement of assets held for sale (refer note 11)	1.89	-

The Company expects to dispose of the above-mentioned assets in the open market through holding company within 12 months from the date of classification as held for sale, i.e., 31 January 2026.

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12 Equity Share capital

Particulars	As at 31st March 2026	As at 31st March 2025
Authorized share capital		
6,50,00,000 Equity shares of Rs.10 each-fully paid (as at 31.03.2025 6,50,00,000 Equity shares of Rs.10 each)	65.00	65.00
	65.00	65.00
Issued/Subscribed and Paid up Capital		
6,50,00,000 Equity shares of Rs.10 each-fully paid (as at 31.03.2025 6,50,00,000 Equity shares of Rs.10 each)	65.00	65.00
Total	65.00	65.00

A. Details of shareholders holding more than 5% in the company

(In Numbers)

Name of the shareholder	As at 31st March 2026		As at 31st March 2025	
	No. of Share	% holding in the class	No. of Share	% holding in the class
Ircon International Limited- Holding Company & 7 nominees	6,50,00,000	100%	6,50,00,000	100%
Total	6,50,00,000	100%	6,50,00,000	100%

B. Aggregate no. of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

Particulars	As at 31st March 2025	As at 31st March 2024	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Equity shares allotted other than cash	-	-	-	-	-
Equity shares issue as bonus	-	-	-	-	-
Equity shares bought back	-	-	-	-	-
Total	-	-	-	-	-

C. Reconciliation of the number of equity shares and share capital outstanding at the beginning and end of the year

Particulars	As at 31st March 2026		As at 31st March 2025	
	No of shares	Rs in crore	No of shares	Rs in crore
Issued/Subscribed and Paid up equity Capital outstanding at the beginning of the year	6,50,00,000	65.00	6,50,00,000	65.00
Add: Changes due to Prior Period Errors	-	-	-	-
Restated Balance at the beginning of the year	6,50,00,000	65.00	6,50,00,000	65.00
Add: Shares Issued during the year	-	-	-	-
Issued/Subscribed and Paid up equity Capital outstanding at the end of the year	6,50,00,000	65.00	6,50,00,000	65.00

D. Terms / Rights attached to Equity Shares :

(i) Voting

The Company has only one class of equity shares having a par value of Rs.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 dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting

E Details of Promoter's Shareholding are as follows:-

Particulars	Promoter Name	No. of shares	% of total shares	% change during the period / year
As at 31st March 2026	Ircon International Limited and 7 nominees	6,50,00,000	100%	-
Particulars	Promoter Name	No. of shares	% of total shares	% change during the period / year
As at March 31, 2025	Ircon International Limited and 7 nominees	6,50,00,000	100%	-

F Other Notes:

- No securities convertible into equity shares have been issued by the company as on the reporting date.
- The Company has not forfeited any shares during the Year
- There are no shares issued in respect of which there are unpaid calls as on the reporting date.
- No shares have been reserved for issue under options and contracts or commitments for the sale of shares or disinvestment

13 Other Equity

Particulars	As at 31st March 2026	As at 31st March 2025
Retained Earnings (refer note 13.1)	29.28	31.23
General Reserve (refer note 13.2)	88.89	88.89
Total	118.17	120.12

13.1 Retained Earnings

Particulars	As at 31st March 2026	As at 31st March 2025
Opening Balance	31.23	22.72
Add: Profit transferred from Statement of Profit & Loss	7.21	17.37
Less: Interim Dividend paid during the year ¹	(4.19)	(2.50)
Less: Final Dividend paid during the year	(4.91)	(6.33)
Add: Other comprehensive income arising from remeasurement of defined benefit obligation	(0.06)	(0.03)
Closing Balance	29.28	31.23

¹ The company has paid Interim Dividend for year 31 March 2026 @ Rs 0.64 per share (31 March 2025: @ Rs 0.38 per share)

13.2 General Reserve

Particulars	As at 31st March 2026	As at 31st March 2025
Opening Balance	88.89	88.89
Add: Transferred from Statement of Profit & Loss	-	-
Closing Balance	88.89	88.89

Nature & Purpose of Other Reserves**(a) Retained Earnings**

Retained Earnings represents the undistributed profits of the Company.

(b) General Reserve

General Reserve represents the statutory reserves, this is in accordance with Corporate Law wherein a portion of profit is apportioned to General Reserve. Under Companies Act, 2013, the transfer of any amount to General Reserve is at the discretion of the Company.

13.3 Dividend Distribution

Particulars	As at 31st March 2026	As at 31st March 2025
Cash dividend on equity shares declared/paid:		
Final Dividend of FY 2024-25 paid during 2025-26: INR 0.76 per share (Final Dividend of FY 2023-24 paid during 2024-25: INR 0.97 per share)	4.91	6.33
Interim dividend paid during 2025-26: INR 0.64 per share (FY 2024-25: INR 0.38 per share)	4.19	2.50
Closing Balance	9.10	8.83

13.4 Dividends not recognised at the end of the reporting year

Final dividend recommended by the Board of Directors, subject to the approval of shareholders in the ensuing Annual General Meeting

Particulars	As at 31st March 2026	As at 31st March 2025
Dividend for 31 March 2026: Rs 0.48 per share (31 March 2025: 0.75 per share)	3.14	4.91
Total	3.14	4.91

14 Non - Current Liabilities**14.1 Other Financial Liability**

Particulars	As at 31st March 2026	As at 31st March 2025
Considered good-Unsecured, Retention Money	24.01	21.83
Total	24.01	21.83

15 Provisions

Particulars	As at 31st March 2026	As at 31st March 2025
Provisions for employee benefits:		
-Provision for Gratuity ¹	0.18	0.18
-Provision for Leave Encashment ¹	0.23	0.30
Total	0.41	0.48

¹For Detail Refer Note 32**16 Other Non-Current Liability**

Particulars	As at 31st March 2026	As at 31st March 2025
Other Payables	0.01	0.01
Upfront Amount from Sub - leasing of Multi Functional Complex (MFCs)	15.21	15.94
Total	15.22	15.95

17 Financial Liabilities**17.1 Trade Payables**

Particulars	As at 31st March 2026	As at 31st March 2025
A)Total outstanding dues of micro enterprises and small enterprises	0.29	0.55
B) Total outstanding dues of creditors other than micro enterprises and small enterprises		
(a) Contractor & Suppliers	25.29	26.86
(b) Related Parties		
Ircon International Limited	0.01	0.01
Total	25.59	27.42

For Aging refer note 35

Information in respect of dues to Micro and Small Enterprises as required by Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)

Particulars	As at 31st March, 2026	As at 31st March, 2025
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	0.29	0.55
Interest due on above	NIL	NIL
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	NIL	NIL
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	NIL	NIL
The amount of interest accrued and remaining unpaid at the end of each accounting year	NIL	NIL
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	NIL	NIL

17.2 Other Financial Liabilities

Particulars	As at 31st March, 2026	As at 31st March 2025
<u>Other payables</u>		
Staff Payable	0.12	0.16
Deposits and Retention money	13.82	19.44
<u>Other Payable- Ircon International Limited</u>		
- Towards Reimbursement of remuneration of staff, other exp , etc	7.91	6.67
Total	21.85	26.27

18 Other Current Liabilities

Particulars	As at 31st March, 2026	As at 31st March 2025
Contract Liability:		
Advance from Customers*	47.70	56.05
Others		
Statutory dues:	1.26	6.95
Upfront Amount from Sub - leasing of Multi-functional Complex (MFCs)	0.88	0.86
Total	49.84	63.86

*Advance from customers includes interest accrued on advances.

19 Provisions

Particulars	As at 31st March, 2026	As at 31st March 2025
Provisions for employee benefits:		
-Provision for Gratuity*	0.10	-
-Provision for Leave Encashment*	0.01	0.01
-Provision for PRP	0.10	0.07
Total	0.21	0.08

*For Detail Refer Note 32

20 Current Tax Liability (Net)

Particulars	As at 31st March, 2026	As at 31st March 2025
Tax Liability of previous year	6.94	6.94
Total	6.94	6.94

21 Revenue from operations

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Revenue from Contracts with Customers		
Sale of Services		
-Project Management Consultancy (PMC) Projects	42.84	47.13
-Lease Rentals from Sub-Leasing of MFCs	21.74	25.75
-Maintenance of track/facilities	13.86	32.19
-Supply of Manpower ¹	0.84	0.98
-Leasing of Plant & Machinery ²	6.38	4.83
Total	85.66	110.88

Refer Note 34 ,

¹ Income includes income from related party Rs 0.84 Cr and (P.Y Rs Rs 0.98 Cr)² Income includes income from related party Rs 6.38 Cr and (P.Y Rs 4.83 Cr)**22 Other Income**

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Interest Income		
Bank Interest Gross	9.32	9.43
Less:-Interest Passed to Clients	<u>-4.04</u>	<u>-4.10</u>
Interest on Receivables & Advances	0.60	0.25
Exchange Fluctuation gain(Net)	0.80	-
Profit on sale of Property, Plant and Equipment's	-	0.00
Others	0.11	0.17
Total	6.79	5.75

23 Cost of Material Consumed

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Opening Balance	0.32	5.09
Add: Purchases during the year	-	-
	0.32	5.09
Less: Closing Balance	(0.31)	(0.32)
Cost of Material Consumed	0.01	4.77

24 Operating Expenses

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Cost of Operations	60.69	70.42
Total	60.69	70.42

i) Break-up of Cost of Operations

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Expenses Incurred on		
-Project Management Consultancy (PMC) Projects	40.31	43.56
-Lease Rentals from Sub-Leasing of MFCs	7.53	7.04
-Maintenance of track/facilities	12.20	19.06
-Supply of Manpower	0.65	0.76
Total	60.69	70.42

25 Employee Benefit Expense

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Salaries, Wages and Bonus	8.92	9.97
Contribution to provident and other funds	0.76	0.84
Staff Welfare expenses	0.08	0.08
Total	9.76	10.89

26 Depreciation, amortization and impairment

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Property, Plant and equipment	2.77	2.82
Intangible Assets	2.15	2.15
Loss on remeasurement of assets held for sale (refer note 11)	1.89	-
Total	6.81	4.97

27 Other Expenses

Particulars	For the Year ended 31st March 2026	For the period ended 31st March 2025
Rates and Taxes	0.10	0.02
Travelling & conveyance	0.34	0.56
Printing & stationery	0.05	0.04
Postage, telephone & telex	0.10	0.03
Legal & Professional charges	1.42	2.41
Provision on Doubtful Debts	1.22	8.32
Loss on transaction in foreign currency	-	0.01
Business promotion	-	0.02
Rent	1.01	1.13
Vehicle operation & Maintenance	0.29	0.38
Auditors remuneration (Refer Points (i) for detail)	0.03	0.03
Advertisement & publicity	0.04	0.02
Power, Electricity & Water Charges	0.17	0.16
Miscellaneous expenses	0.11	0.06
Fee & subscription charges	0.01	0.02
Repair & Maintenance	0.37	0.40
Bank and other Financial Charges	0.02	0.02
Corporate Social Responsibility ¹	0.18	0.21
Total	5.46	13.84

¹Refer Note 37**(i) Payment to Statutory Auditors:**

Particulars	For the Year ended 31st March 2026	For the period ended 31st March 2025
(i) Audit Fee - current year	0.02	0.02
(ii) Tax Audit Fees - current year	0.00	0.00
(iii) Limited Review Fees	0.01	0.01
(iv) Travelling & out of pocket expenses	0.00	0.00
Total	0.03	0.03

Above Payment to Statutory Auditor represent Fees for Statutory Audit Rs 1,65,000/- (Previous Year-Rs 1,50,000/-), Fee for Tax Audit Rs 49,500/- (Previous year - Rs 45,000/-) Fee for Limited Review Rs 99,000/- (Previous Year Rs 85,200/-) and Out of Pocket expenses Rs 30,000/- (Previous Year-27,000/-)

28 Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below

Particulars	For the Year ended 31st March 2026	For the period ended 31st March 2025
Remeasurements of defined benefit plans ¹	(0.08)	(0.04)
Tax component of remeasurements of defined benefit obligation	0.02	0.01
Total	(0.06)	(0.03)

¹Defined benefit plan for Current Year (Rs. 0.09 Crores) (Previous year (Rs. 0.04 Crore) and tax component on same is Rs 0.02 Crores (P.Y Rs, 0.01 Crores) respectively.

29 Earnings Per Share

Disclosure as per Ind AS 33 'Earnings per share'

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 year.

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 year 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

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Profit attributable to Equity holders (Rs.in crore)	7.21	17.37
Weighted average number of equity shares for Basic and Diluted EPS (In Nos.)	6,50,00,000	6,50,00,000
Earnings per share (Basic) (In Rs)	1.11	2.67
Earnings per share (Diluted) (In Rs)	1.11	2.67
Face value per share (In Rs)	10.00	10.00

(ii) Profit attributable to equity shareholders (used as numerator)

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	7.21	17.37
Profit attributable to Equity holders of the company used for computing EPS:	7.21	17.37

(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	6,50,00,000	6,50,00,000
Equity shares issued during the year	-	-
Weighted average number of equity shares for computing Basic	6,50,00,000	6,50,00,000
Dilution Effect:		
Add: Weighted average numbers of potential equity shares outstanding during the year	-	-
Weighted average number of equity shares for computing	6,50,00,000	6,50,00,000

30 Contingent liabilities and Contingent Assets

Disclosure of Contingent Liabilities as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' is as under:

A) Contingent Liabilities

Particulars	Foot Notes	For the Year ended 31st March 2026	For the Year ended 31st March 2025
a) Claims against the company not acknowledged as debt			
i) Disputed Direct tax demands		-	-
ii) Disputed Indirect tax demands	1	11.36	10.88
iii) Other Legal disputes with			
(i) Employees	2	1.17	2.62
(ii) Multifunctional Complexes (MFC)	3	125.25	115.39
(iii) Other than Multifunctional Complexes (MFC)	4	3.75	2.75
b) Guarantees excluding financial guarantees;		-	-
c) Other money for which the company is contingently liable.		-	-
Total		141.53	131.64

Foot Notes:

1. The GST Authority have raised demands on account of various disallowances pertaining to different years. Many of these matters were adjudicated in favour of Company but are disputed before higher authorities by the concerned departments. The Company is contesting these demands, which are pending at various appellate levels. Based on the advice from the independent tax experts and the developments on the appeals, the management is confident that additional tax so demanded will not be sustained on completion of the appellate proceedings and accordingly, pending the decision by the appellate authorities, no provision has been made in these financial statements.

2. The Company is also party to some of the legal case filled by employees which are pending before court/ arbitration proceedings in India . These claims are being contested by the company as being not admissible in terms of provisions of the respected contracts and strong likelihood of succeeding before the authorities. Interest on claims is not considered, being unascertainable.

3. The Company is party to several legal /arbitration cases related to various dispute rasied by MFC concessionaires after termination of the sub lease agreement. The concessionaires have disputed to various terms of the sub lease agreement and lodged claim on the company seeking waiver of amount payable which is not as per terms of the condition along with other non legitimated demands. These claims are being contested by the company as being not admissible in terms of provisions of the respected contracts and strong likelihood of succeeding before the authorities. Against a total claim of Rs. 155.35 crores (Rs. 144.65 crore), provision of Rs. 30.10 crore (Rs. 29.27 crore) has been made in the financial statements and balance Rs. 125.25 crore (Rs. 115.39 crore) is shown as contingent liability. The Company has also made counter claims against these cases on concessioaniar and admissible as per the terms of the contract of Rs. 64.36 crore (Rs. 63.56 crore). Interest on claims is not considered, being unascertainable.

4. The Company is also party to some of the legal/arbitration cases related to construction contract terms with contractors (other than MFCs) which are pending before court/ arbitration proceedings in India . These claims are being contested by the company as being not admissible in terms of provisions of the respected contracts and strong likelihood of succeeding before the authorities. Interest on claims is not considered, being unascertainable.

B) Contingent Assets

The company has made various counter claims against claimed mentioned under note 28(A)(a) Rs 64.36 crore (Rs. 63.56 crore). Some of Claims raised by company on MFC concessionairs and others were awarded in favour of company, not accounted as they were the part of receivable already.

31 Commitments

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Contingent Liabilities		
Estimated amount of contracts remaining to be executed on capital account and not provided for;	-	-
Uncalled liability on shares and other investments partly paid; and	-	-
Other commitments	-	-
Total	-	-

32 Employee Benefits**Disclosures in compliance with Ind AS 19 "Employee Benefits" are as under:**

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Gratuity	0.06	0.04
Leave encashment	0.01	0.11
Contribution to Pension Fund	0.30	0.33
Contribution to Provident Fund	0.46	0.51

A) Defined benefit plans**(i) Gratuity**

Gratuity is payable on separation (i.e. due to superannuation, retirement, resignation, physical incapacitation or death) @15 days

pay for each completed year of service to eligible employee, who rendered service of 1 year or more.

Provision as on 31st March 2026 in respect of Gratuity for Regular employees and contract employees who rendered service more than 1 years of the Company are as per actuarial valuation.

i) Changes in Benefit Obligation

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Present Value of obligation at the beginning of the period	0.19	0.13
Acquisition Adjustment	-	-
Interest cost	0.01	0.01
Service cost	0.04	0.03
Past Service Cost Including curtailment Gain /Losses	-	-
Benefits paid	(0.04)	(0.02)
Total Actuarial (gain) / loss on obligations	0.08	0.04
Present Value of obligation at the end of the period	0.29	0.19

ii) Changes in Plan assets

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Fair value of plan assets at the beginning of the period	-	-
Actual return on plan assets	-	-
Employer Contribution	-	-
Benefits paid	-	-
Actual Return on plan asset	-	-
Fair value of plan assets at the end of the period	-	-

iii) Balance Sheet and Related analysis :

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Present Value of the obligation at end	0.29	0.18
Fair value of plan assets	-	-
Unfunded Liability/provision in Balance Sheet	(0.29)	(0.18)

iv) Amount recognised in Income Statement

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Total Service cost	0.04	0.03
Net interest Cost	0.01	0.01
Expense recognised in the Income Statement	0.05	0.04

v) Other Comprehensive Income:

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain / (loss) for the year on PBO	0.08	(0.04)
Actuarial gain /(loss) for the year on Asset	-	-
Unrecognized actuarial gain/(loss) for the year	0.08	(0.04)

vi) Major categories of plan assets (as percentage of total plan assets)

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Government of India Securities	-	-
State Government securities	-	-
High Quality Corporate Bonds	-	-
Equity Shares of listed companies	-	-
Funds Managed by Insurer	-	-
Bank Balance	-	-
Total	-	-

vii) (a) Economics Assumptions :

The Principal assumptions are the discount rate & salary growth rate .The discount rate is generally based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities . salary growth rate is company's long term estimate as to salary increases & takes account of inflation, seniority, promotion, business plan , HR policy and other relevant factors on long term basis as provided in relevant accounting standard .

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Discount rate	7.70%	6.93%
Future salary increase	8%	Regular- 8.00 % Contractual- 8.00 %

vii) (b) Demographic Assumptions

Attrition rates are the company's best estimate of employee turnover in future determined considering factors such as nature of business & industry, retention policy, demand & supply in employment market, standing of the company, business plan, HR policy etc as provided in the relevant accounting standard.

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
i) Retirement Age (Years)	60.00	60.00
ii) Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
iii) Attrition at Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	3%	3%
From 31 to 44 years	2%	2%
Above 44 years	1%	1%

It should be noted that in case of employees above retirement age, for the purpose of valuation it is assumed they will retire immediately & benefit is considered up to actual retirement age.

viii) Sensitivity Analysis of the defined benefit obligation:

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Gratuity Plan impact on DBO		
a) Impact of the change in discount rate		
Present value of obligation at the end of period	0.28	0.18
Impact due to increase of 0.50%	-0.01	(0.02)
Impact due to decrease of 0.50 %	0.01	0.02
b) Impact of the change in salary increase		
Present value of obligation at the end of period	0.28	0.18
Impact due to increase of 0.50%	0.00	0.01
Impact due to decrease of 0.50 %	-0.00	(0.01)

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated. Sensitivities as

rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable

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.

Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

ix) Expected contribution for next annual reporting period

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Service Cost	0.04	0.03
Net Interest Cost	0.02	0.01
Expected Expense for the next annual reporting period	0.06	0.04

The expected contribution to the defined benefit plan for next annual reporting period is Rs. 0.06 Cr (Prev. Yr. Rs 0.04 Cr)

x) Maturity Profile of Defined Benefit Obligation

Year	For the Year ended 31st March 2026	For the Year ended 31st March 2025
0 to 1 Year	0.10	-
1 to 2 Year	0.00	-
2 to 3 Year	0.00	-
3 to 4 Year	0.00	-
4 to 5 Year	0.00	-
5 to 6 Year	0.00	-
6 Year onwards	0.16	0.16

Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

Salary Increases

Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

Investment risk

If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

Discount Rate

Reduction in discount rate in subsequent valuations can increase the plan's liability.

Mortality & disability

Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

Withdrawals

Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability

(ii) Earned Leave

The Company treats leave encashment expected to be carried forward beyond twelve months and leave travel concession as long-term employee benefit for measurement purposes. The obligation recognised in respect of these long-term benefits is measured at present value of the obligation based on actuarial valuation using the projected unit credit method.

	For the Year ended 31st March 2026	For the Year ended 31st March 2025
<u>Economic assumptions</u>		
Discount rate (per annum)	7.70%	6.93%
Salary growth rate (per annum)	8%	Regular-8% Contractual-8%
<u>Demographic assumptions</u>		
Retirement age	60 Yrs.	60 Yrs.
Mortality Rate (% of IALM 2012-14)	100% of IALM (2012-14)	100% of IALM (2012-14)
Attrition at Ages		
Up to 30 years	3.00%	3.00%
From 31 to 44 Years	2.00%	2.00%
Above 44 Years	1.00%	1.00%
Leave Availment Rate	2.50%	2.50%
Leave lapse Rate while in Service	Nil	Nil
Leave lapse Rate on Exit	Nil	Nil
Leave Encashment rate while in service	5.00%	5.00%

B) Defined Contribution Plans

(i) Pension

The Company has a defined contribution employee pension scheme in which the Company deposit contribution toward through NPS and are charged to the statement to the Profit and loss for the year when the contributions are due.

(ii) Contribution to Provident Fund

The company make monthly contributions to the provident fund equal to a specified percentage of the covered employees' salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The remaining portion is contributed to the government-administered pension fund. Employees of the Company receive benefits from a government administered provident fund, which is a defined contribution plan. The company has no further obligation to the plan beyond its monthly contributions. Such contributions are accounted for as defined contribution plans and are recognised as employee benefits expenses when they are due in the Statement of Profit and Loss.

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33 Leases

a) Company as a Lessee

The Company as a lessee has entered into various lease contracts, which includes lease of office space, guest house and vehicles. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

The Company also has certain leases of offices and guest house with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

Right of Use Assets and Lease Liability

The company applies the "short-term lease" recognition exemption to all available lease agreements. Consequently, No Right to Use and Lease liability has been recognized in the financial statements

The expenses relating to short-term lease (Refer Note 27) for the FY 2025-26 is Rs. 1.01 Crore (P.Y Rs. 1.13 crores).

b) Company as a Lessor

Operating Leases for Multi-Functional Complexes:

(i) The Company has sub-leased 23 MFCs to various sub-lessees. Out of these, sub-lease agreements in respect of 9 MFCs, namely Thiruvalla, Rajgir, Mysore, Kannur, Hyderabad, Bilaspur, Indore, Madurai and Jodhpur, stand terminated as at 31 March 2026. Of these 9 terminated MFCs, the leased assets relating to two MFCs, namely Thiruvalla and Rajgir, were handed back to RLDA during the financial year 2019-20. Further, one MFC, namely Rampurhat, whose sub-lease agreement had been terminated as at 31 March 2025, has been re-awarded through tender during the current financial year 2025-26.

ii) Future minimum lease rental Payable / receivable under non- cancellable lease are as under:

Lease Rent	Not later than 1 year	Later than 1 year to 5 years	Later than 5 years
Receivable			
Current Year	19.51	84.68	422.20
Previous Year	17.06	79.59	437.62
Payable			
Current Year	-	-	-
Previous Year	-	-	-

Disclosure of Depreciation/ Amortisation in respect of leased MFCs for the year:

Particulars of assets	2025-26	2024-25
Gross carrying amount of Assets	95.15	95.15
Accumulated Depreciation/ Amortization	22.93	20.78
Depreciation/ Amortisation for the year	2.15	2.15

For above MFC, company has received/receivable one-time down payment and monthly rental from the Sub- lessee. The total revenue recognize under lease for FY is Rs. 21.74 Crores (P.Y Rs. 25.75 Crores).

The one-time down payment received / receivable from sub-lessee are recognized as income in the statement of profit and loss on straight-line basis over the lease term on pro-rata basis.

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:

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 March 31, 2026						Total as per Statement of Profit and Loss /Segment Reporting
	Revenue as per Ind AS 115			Method for measuring performance obligation		Other Revenue	
	Domestic	Foreign	Total	Input Method	Output Method		
Building	38.28	-	38.28	38.28	-	-	38.28
Roads	-	-	-	-	-	-	-
Others	22.23	3.42	25.65	25.65	-	21.74	47.39
Total	60.50	3.42	63.93	63.93	-	21.74	85.66

Out of the total revenue recognised under Ind AS 115 during the year, Rs 63.93 crore is recognised over a period of time and Nil is recognised point in time. (Refer Note 21)

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

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 March 31, 2025						Total as per Statement of Profit and Loss /Segment Reporting
	Revenue as per Ind AS 115			Method for measuring performance obligation		Other Revenue	
	Domestic	Foreign	Total	Input Method	Output Method		
Building	41.41	-	41.41	41.41	-	-	41.41
Roads	-	-	-	-	-	-	-
Others	39.72	3.99	43.72	43.72	-	25.75	69.47
Total	81.13	3.99	85.13	85.13	-	25.75	110.88

Out of the total revenue recognised under Ind AS 115 during the year, Rs 85.13 crore is recognised over a period of time and Nil is recognised point in time. (Refer Note 21)

Set out below is the disaggregation of the Company's revenue from contracts with customers based on geography

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Domestic	82.24	106.89
Exports	3.42	3.99
Total	85.66	110.88

Reconciliation of Gross Revenue from Contracts With Customers

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Gross Revenue	85.66	110.88
Less:-Discount	-	-
Less:-Price Concession	-	-
Add:-Incentive and Bonus	-	-
Net Revenue recognised from Contracts with Customers	85.66	110.88

B. Contract balances

(Rs. in crore)

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Trade Receivables (Note 8.1)	57.33	64.42
Contract Assets (Note 8.5)	21.90	17.54
Contract Liabilities (Note 18)	47.70	56.05

- (i) Trade receivables are partly interest bearing and partly non-interest bearing and the customer profile include Public Sector Enterprises, state govt ,State Owned Companies in India and abroad and Other Enterprises. The Company's average project execution cycle is around 15 to 24 months which may be extended case to case basis. General payment terms include mobilization advance, monthly progress payments with a credit period ranging client to client basis.
- (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 year

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Contract asset at the Beginning of the year	17.54	16.35
Contract asset at the end of the year	21.90	17.54
Net increase/(decrease)	4.36	1.19

For the year 2025-26 and 2024-25, There has been a net increase of Rs 4.36 Crore and Rs 1.19 crore respectively as compared to previous year.

During the year ended March 31st, 2026, Rs 12.20 crore and March 31st 2025, 8.85 crore of contract assets as of April 1st, 2025 and April 1st 2024 respectively has been reclassified to trade receivables upon billing to customers on completion of milestones.

- (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	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Contract liabilities at the beginning of the year	56.05	74.71
Contract liabilities at the end of the year	47.70	56.05
Net increase/(decrease)	(8.35)	(18.66)

For the year 2025-26 and 2024-25 there has been net decrease of Rs. 8.35 crore and Rs.18.66 crore respectively as compared to last year and are mainly due to adjustment of advance payment received from client against works executed during the year.

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

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Amount included in contract liabilities at the beginning of the year	56.05	74.71
Performance obligation satisfied in previous years	14.10	32.43

D. Performance obligation

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 31 March are, as follows:

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Within one year	108.58	170.00
More than one year to 2 years	75.71	46.62
More than 2 years	-	-
Total	184.29	216.62

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35 A. Trade Payables Ageing Schedule

Particulars	Unbilled	Not Due	Outstanding for the year ended March 31, 2026 from the due date of payment				Total
			Less than 1 year	1-2 year	2-3 year	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	0.29	-	-	-	0.29
Total outstanding dues of creditors other than micro enterprises and small enterprises	18.11	-	1.87	0.19	-	5.12	25.30
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	18.11	-	2.16	0.19	-	5.12	25.59

B. Trade Payables Ageing Schedule

Particulars	Unbilled	Not Due	Outstanding for the year ended March 31, 2025 from the due date of payment				Total
			Less than 1 year	1-2 year	2-3 year	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	0.48	-	0.07	-	0.55
Total outstanding dues of creditors other than micro enterprises and small enterprises	13.62	-	7.74	0.38	0.00	5.12	26.86
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	13.62	-	8.22	0.38	0.07	5.12	27.41

36 A. Trade Receivables Ageing schedule-

Particulars	Unbilled	Not Due	Outstanding for the year ended March 31, 2026 from the due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	19.82	5.28	14.92	1.19	-	41.20
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	1.95	1.78	4.33	5.28	4.37	17.71
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	1.99	1.99
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	0.22	0.27	43.59	44.07
Total	-	-	21.76	7.05	19.47	6.75	49.95	104.98
Impairment allowance								(47.65)
Total								57.33

B. Trade Receivables Ageing schedule-

Particulars	Unbilled	Not Due	Outstanding for the year ended March 31, 2025 from the due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	29.05	14.63	12.34	3.99	-	60.01
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	0.28	0.27	3.16	0.96	0.13	4.80
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	1.99	1.99
(vi) Disputed Trade Receivables – credit impaired	-	-	0.14	0.08	0.27	4.71	38.87	44.06
Total	-	-	29.47	14.97	15.77	9.66	40.99	110.86
Impairment allowance								(46.44)
Total								64.43

37 Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises GOI, the company is required to spend in every Financial year, at least two percent 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
a) Gross amount required to be spent by the Company during the year	0.18	0.21
b) Amount approved by the Board to be spent during the year	0.18	0.21

B) Amount Spent on CSR Activities

Particulars	For the Year ended 31st March 2026		For the Year ended 31st March 2025	
	Paid in Cash	Yet to be Paid	Paid in Cash	Yet to be Paid
a) Construction/acquisition of any asset	-	-	-	-
b) On purposes other than (a) above	0.18	-	0.21	-
Total	0.18	-	0.21	-

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
Contribution to Prime Minister CARES Fund	-	-
Eradicating hunger, poverty & malnutrition, promoting preventive healthcare & sanitation & making available safe drinking water	0.18	-
Promoting Education, including special education and employment enhancing vocation skills especially among children.	-	0.21
Ensuring environmental sustainability	-	-
Setting up homes and hostels for women and orphans, Setting up old age homes, day care centres and such other facilities.	-	-
Sports	-	-
Others (including Other Admin Cost)	-	-
Total	0.18	0.21

D) 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 (##)	-	-
Total	-	-

Ongoing Project:

# Ongoing Project:						
Opening Balance	In Separate CSR Unspent A/c	Amount required to be spent during the year	Amount spent during the year		Closing Balance	
			From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
With Company						
Current Year	-	0.18	0.18	-	-	-
Previous year	-	0.21	0.21	-	-	-

Other than ongoing project:

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	-	-	-	-

E) Details related to spent / unspent obligations:

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Opening Balance	-	-
Gross amount required to be spent by the Company during the year (as per (a) above)	0.18	0.21
Amount spent by the Company during the year (as per (b) above)*	0.18	0.21
Shortfall/(Excess) amount spent by the company	-	-

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

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 Accounting Standard	NA	NA
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	NA

38 Related Party Transactions

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

a) List of Related Parties

The entire Equity Share Capital of the Company is held by Ircon International Limited, Holding company.

b) Relation and name of the related parties are:

parties are:		Name of the Related Party
i. Holding Company		IRCON International Limited
ii. Key Management personnel:	Directors:	-Shri Parag Verma (Ceased w.e.f 30.04.2025 on account of superannuation) -Shri Yogesh Misra (Ceased w.e.f 31.10.2025 on account of superannuation) -Shri Surender Singh -Shri Rajeev Kumar Sinha (Ceased w.e.f 30.04.2025) -Shri Bujji Bhuvan Kumar Dunne (Ceased w.e.f 28.02.2026 on account of superannuation) -Shri Naveen Babu -Shri Alin Roy Choudhury
	Key Managerial person	-Shri Ajay Pal Singh (CEO) -Shrimati Pooja Chaurasia (CFO) (Ceased w.e.f 01.06.2025) -Shri Atul Kumar (CFO) -Miss Manisha Gupta, (Company Secretary)

c) Remuneration to Key management personnel are as under:

Particulars	2025-26	2024-25
Short-Term benefits	0.78	0.72
Post-employment benefits	0.08	0.07
Other long-term benefits	0.19	0.17
Total	1.05	0.96

The Directors of the Company are appointed /nominated by Holding Company and no remuneration is paid to them by the Company. Hence remuneration of Chief Executive Officer, Chief Financial Officer & Company Secretary has been shown above.

d) Transactions with other related parties are as follows:

Nature of transaction	Name of Related Party	For the Year ending 31st march 2026	For the Year ending 31st march 2025
Sale of Goods and Services	IRCON International Limited	7.22	5.81
Sale of Property Plant & Equipment's		0.03	0.00
Purchase of Goods or Services		0.90	0.94
Purchase of Property Plant & Equipment's		0.00	-
Reimbursement of Expenses i.e. remuneration to staff as salary & Wages, PF contribution, travelling, etc.(Net)		1.39	2.21

e) Outstanding Balance With related Parties are as follows:

Nature of transaction	Name of Related Party	For the Year ending 31st march 2026	For the Year ending 31st march 2025
Trade Receivable	IRCON International Limited	14.95	6.78
Billable Revenue		0.88	0.95
Trade Payable		0.01	0.01
Other Payables		7.91	6.67

39 A. Fair Value Measurements**(i) Category wise classification of Financial Instruments**

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

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

a) The carrying values and fair values of financial instruments as at 31 March, 2026 are as follows:

Particulars	Carrying Value	Fair Value
Financial Assets at Amortized Cost		
(i) Trade Receivables	57.33	57.33
(ii) Loans	0.01	0.01
(iii) Other Financial Assets	27.34	27.34
Total	84.68	84.68

Particulars	Carrying Value	Fair Value
Financial Liabilities at Amortized Cost		
(i) Trade Payable	25.59	25.59
(ii) Other Financial Liabilities	45.86	45.86
Total	71.45	71.45

b) The carrying values and fair values of financial instruments as at 31 March, 2025 are as follows:

Particulars	Carrying Value	Fair Value
Financial Assets at Amortized Cost		
(i) Trade Receivables	64.42	64.42
(ii) Loans	0.02	0.02
(iii) Other Financial Assets	21.75	21.75
Total	86.19	86.19

Particulars	Carrying Value	Fair Value
Financial Liabilities at Amortized Cost		
(i) Trade Payable	27.42	27.42
(ii) Other Financial Liabilities	48.10	48.10
Total	75.52	75.52

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

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

B. Financial Risk Management

The Company's principal financial liabilities comprise trade and other payables. The Company's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company's activities expose it to some of the financial risks: market risk, credit risk and liquidity risk.

a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market prices. Market risk comprises Foreign currency risk and Interest rate risk. Financial instruments affected by market risk includes borrowings, trade receivables, trade payable and other non derivative financial instruments.

(i) Foreign Currency Risk

The company operates internationally and is exposed to insignificant foreign currency risk (since receipts & payments in foreign currency are generally matched) arising from foreign currency transactions, primarily with respect to the US \$ and MMK. Significant foreign currency risk of company are naturally hedged.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of change in market interest rate. The company manages its interest risk in accordance with the companies policies and risk objective.

b) Credit Risk

The Company's customer profile includes Ministry of External Affairs, Ministry of Home Affairs, Public Sector Enterprises, State Owned Companies in India. Accordingly, the Company's customer credit risk is low. The Company's average project execution cycle is around 15 to 24 months. General payment terms include mobilization advance, monthly progress payments with a credit period ranging from 45 to 60 days and certain retention money to be released at the end of the project. In some cases, retentions are substituted with bank / corporate guarantees. The Company has a detailed review mechanism of overdue customer receivables at various levels within organization to ensure proper attention and focus for realization.

Trade and other receivable

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each 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.

Exposure to Credit Risk

Particulars	For Year Ending on 31-03-2026	For Year Ending on 31-03-2025
Financial Assets for which allowance is measured using Lifetime Expected Credit		
Non Current Loans	0.01	0.01
Other Non Current Financial Assets	-	0.06
Cash and Cash Equivalents	13.15	15.95
Other Bank Balances	115.13	117.09
Current Loans	-	0.01
Other Current Financial Assets	11.25	8.73
Financial Assets for which allowance is measured using Simplified Approach		
Trade Receivables	57.33	64.42
Contract Assets	16.09	12.96

Summary of change in Loss Allowance measured using Simplified Approach

Particulars	For Year Ending on 31-03-2026	For Year Ending on 31-03-2025
Opening Allowances	46.43	38.12
Provided during the year	1.22	8.31
Utilization during the year	-	-
Amount written-off	-	-
Closing Allowances	47.65	46.43

During the year, the Company has recognised loss allowance of Rs. Nil (31 March, 2025 : Rs. Nil crores).

c) Liquidity risk

The Company manages liquidity risk by maintaining sufficient Cash & Cash Equivalent and fixed deposit in reputed banks . The treasury department regularly monitors the position of Cash and Cash Equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

The Company's investment policy and strategy are focused on preservation of capital and supporting the Company's liquidity requirements. The senior Management of the Company oversees its investment strategy and achieve its investment objectives. The Company invests in Fixed deposits. The policy requires investments generally to be investment grade, with the primary objective of minimising the potential risk of principal loss.

The table below provides details regarding the significant financial liabilities as at 31 March 2026 and 31 March 2025

Particulars	As on 31st March, 2026			
	Less than 1 Year	1-2 years	2 Years and above	Total
Trade payables	20.27	0.19	5.12	25.59
Other financial liabilities	21.85	23.06	0.95	45.86
	42.12	23.25	6.07	71.45

Particulars	As on 31st March, 2025			
	Less than 1 Year	1-2 years	2 Years and above	Total
Trade payables	27.42	-	-	27.42
Other financial liabilities	26.27	21.83	-	48.10
	53.69	21.83	-	75.52

d) Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

The following table gives details in respect of revenues generated from top five projects.

Particulars	For the year ended 31-03-2026	For the year ended 31-03-2025
Revenue from top 5 Projects		
Sub-Leasing of MFC's	21.74	25.75
Chhattisgarh East Railways Limited (CERL)	-	13.83
National Disaster Response Force (NDRF)	11.66	18.48
NTPC Limited	8.34	12.72
NVS Sabarkantha	5.71	-
Department of Science and Technology	8.31	8.93

C. Capital Management

The Company objective to manage its capital in a manner to ensure and safeguard their ability to continue as a going concern so that the Company can continue to provide maximum returns to shareholders and benefit to other stakeholders. The Company has paid Interim dividend @ Rs 0.64 (P.Y Rs 0.38) per share as per the guidelines issued by Department of Investment and Public Asset Management (DIPAM) as follows :-

Dividends :-

Particulars	31-Mar-26	31-Mar-25
Final Dividend of FY 2024-25 paid during 2025-26: INR 0.76 per share (Final Dividend of FY 2023-24 paid during 2024-25: INR 0.97 per share)	4.91	6.33
Interim dividend paid during 2025-26: INR 0.64 per share (FY 2024-25: INR 0.38 per share)	4.19	2.50
Total	9.10	8.83

The Company determines the capital requirement based on their project in hand and their fund requirement. The funding requirements are met through operating cash flows generated and Support from holding company. The Company is not subject to any externally imposed capital requirements.

40 Segment Reporting

Disclosure as per Ind AS 108 "Operating Segment" is given as under:

Operating segments are define as components of an enterprise for which discrete financial information is available which is being evaluated regularly. Segments are reported in the manner consistent with the internal reporting provided to the chief operating decision maker. The Company has determined reportable operating segment from geographical perspective.

Two operating Segments based on Geographical location of the project viz. Domestic & International

Particulars	International		Domestic		Total	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Segment Revenue						
Revenue from external customers	3.42	3.99	82.24	106.88	85.66	110.88
Add : Company's share of turnover in integrated joint operations	-	-	-	-	-	-
Total Operating Revenue	3.42	3.99	82.24	106.88	85.66	110.88
Interest income	-	-	5.88	5.33	5.88	5.33
Other Income	0.80	-	0.11	0.42	0.91	0.42
Inter - segment	-	-	-	-	-	-
Total Revenue	4.22	3.99	88.23	112.63	92.45	116.63
Segment Result						
Profit before provision, depreciation, interest and exceptional item and	3.57	3.22	14.18	21.80	17.75	25.03
Less: Provisions and write back	-	-	1.22	8.32	1.22	8.32
Less: Depreciation, amortization and impairment	0.80	1.47	6.01	3.50	6.81	4.97
Less: Interest	-	-	-	-	-	-
Profit before tax	2.77	1.75	6.95	9.98	9.72	11.74
Less: Tax expense	0.71	0.45	1.80	(6.09)	2.51	(5.63)
Profit after tax	2.06	1.30	5.15	16.07	7.21	17.37

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Other Information

Particulars	International		Domestic		Total	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Total Assets	10.52	6.49	316.72	341.46	327.24	347.95
Total Liabilities	0.37	0.34	143.70	162.49	144.07	162.83
Investment in joint ventures accounted for by equity method	-	-	-	-	-	-
Non current asset other than financial instruments, deferred tax assets, net defined benefit assets	2.67	3.42	83.13	89.60	85.81	93.02
Capital Expenditure for the year ending (Addition to PPE, CWIP, Investment Property, Other Intangible Assets, Intangible assets under development and Right-to-use)	0.00	0.00	0.14	0.14	0.14	0.14

Two operating Segments based on Geographical location of the project viz. Domestic & International

Particulars	Operating Income		Segment Assets		Additions to Fixed Assets	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Consultancy Projects	42.84	47.13	154.01	186.07	0.13	0.14
Sub- Leasing of MFCs	21.74	25.75	110.49	100.89	-	-
Maintenance of Track	13.86	32.19	27.95	25.23	0.01	-
Leasing of Plant & Machinery	6.38	4.83	28.68	30.81	-	-
Supply of Manpower	0.84	0.98	4.12	2.96	-	-
Others	-	-	1.99	1.99	-	-
Total	85.66	110.88	327.24	347.95	0.14	0.14

41 Additional Regulatory information:

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

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- (ix) 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.
- (x) Company is not required to submit statement of current assets with the bank and therefore reconciliation of the statement filed by the company with bank and the books of accounts is not applicable.
- (xi) The Company does not have any borrowing in financial year 2025-26 and 2024-25, hence clause related to usage of borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.
- (xii) The Company have not entered into any scheme(s) of arrangements during the year ending 31st March 2026 and period ending 31st March 2025.
- (xiii) 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.

42 Recent Pronouncement

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.

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43 Disclosure on Amendment IndAS vide notification dated 23.03.2022 and Disclosures pursuant to amendment in Schedule III of the Companies Act 2013

The following accounting ratios are disclosed:

Particulars	Numerator	Denominator	March 31, 2026	March 31, 2025	% change	Reason for change more than 25%
Current ratio	Current Assets	Current Liabilities	2.17	1.94	11.86%	Not Applicable
Debt-equity ratio	Total Debt	Shareholder's Equity			NA	
Debt service coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments			NA	
Return on equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.04	0.10	-60.00%	The variation is attributable to an Decrease in profit after tax, primarily due to decrease in business as compare to previous year.
Inventory turnover ratio	Cost of Material Consumed	Average Inventory	0.04	1.76	-97.73%	The variation is attributable to Closer of CERL Project due to which cost of material consumed during the year reduced as compare to previous year as residual Material was billed to client last year itself.
Trade receivables turnover ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	1.41	1.68	-16.07%	Not Applicable
Trade payable turnover ratio	Net credit purchases = Gross credit purchases - purchase return + Operating Expenses	Average Trade Payables	2.29	2.34	-2.14%	Not Applicable
Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	0.70	0.95	-26.32%	The variation is attributable to an Decrease in business as compare to previous year.
Net profit ratio	Net Profit	Net sales = Total sales - sales return	0.08	0.16	-50.00%	The variation is attributable to an Decrease in business as compare to previous year.
Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.09	0.11	-18.18%	Not Applicable
Return on investment	Interest (Finance Income)	Investment	4.00%	4.00%	0.00%	Not Applicable

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

During the year, the Company has revised its accounting policy relating to employee benefits in line with Ind AS 19 – Employee Benefits to reflect the current nature of its benefit arrangements.

The changes primarily relate to:

- classification of provident fund as a defined contribution plan,
- clarification that gratuity is an unfunded plan, and
- removal of reference to post-retirement medical benefits, as no such scheme exists.

These revisions are made for better presentation and alignment with existing practices and do not have any impact on the financial statements.

45 Other Notes

1) As per BOD Approval vide item No 10/15 Dated 20.02.2015, the company has raised their Share Capital to the tune of Rs 25.00 Crores to procure old Track Machines from Different Zonal Railways of India & make them operational for helping in Capacity Building of the company in infrastructure sector. Total Estimated approved Expenditure is Rs. 25.00 Crores out of which up to the March 2026 has been incurred Rs. 22.92 Crores (as at 31st March 2025 Rs. 22.92 Crores)

2) There are certain other matters pending in litigations against the Company before various courts and appellate authorities on account of claims by some contractors in work Deposit projects. In such cases, the Company envisages reimbursement from the Clients in full as per the terms of contract and expects no economic outflow of resources. In this respect, a total claim of Rs 51.01 crore (Rs 22.66 crore) is under litigation.

3) In the opinion of the management, the value of current assets, loans and advances on realization in the ordinary course of business, will not be less than the value at which these are stated in the balance sheet.

4) 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.

5) Figures rounded off to the nearest rupees in Crores.

As per our Report of even date attached
For Mohan Gupta and Company
Chartered Accountants
ICAI Firm Registration No. - 006519N

Sd/-
CA. Himanshu Gupta
(Partner)
ICAI Membership No. 527863

Place : New Delhi
Date : 06th May 2026

For and on behalf of the Board of Directors of
IRCON Infrastructure and Services Limited

Sd/-
Alin Roy Choudhury
Director
(DIN-10489550)

Sd/- Atul Kumar
C.F.O

Sd/- Ajay Pal Singh
C.E.O

Sd/-
Surender Singh
Chairman
(DIN- 09214484)

Sd/-
Manisha Gupta
Company Secretary

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 INFRASTRUCTURE & SERVICES LIMITED FOR THE YEAR ENDED 31 MARCH 2026

The preparation of financial statements of Ircon Infrastructure & Services Limited for the year ended 31 March 2026 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) 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 06 May 2026.

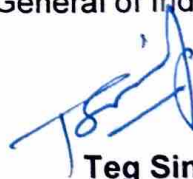
I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Ircon Infrastructure & Services Limited for the year ended 31 March 2026 under Section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditor and is limited primarily to inquiries of the Statutory Auditor and Company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under Section 143(6)(b) of the Act.

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

Place: New Delhi

Dated: 10.07.2026



Teg Singh
Principal Director of Audit
Railway Commercial, New Delhi