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Independent Auditor's Report

To the Members of Vikran Engineering Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **Vikran Engineering Limited** ('the Holding Company') and its subsidiary – Vikran MP Solar Private Limited (effective 22 January 2026) (the Holding Company and its subsidiary together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at **31 March 2026**, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2026, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditor in terms of their report referred to in paragraph 15 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the report of the other auditor on separate financial statements of the subsidiary, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matters
(i) Estimation of contract costs and revenue recognition by the Holding Company	
Revenue from operations of the Holding Company consists primarily of sale of engineering, procurement and construction (EPC) services. Revenue is recognized in accordance with the material accounting policy information as described in Note 2(b) to the accompanying consolidated financial statements. Also refer Note 27 and Note 50 to the accompanying consolidated financial statements for details of revenue recognised during the year. The Holding Company recognises revenue from aforesaid contracts over a period of time by measuring the progress towards complete satisfaction of the performance obligation, using input method based on the costs incurred till date relative to the estimated total costs to complete the performance obligation, in accordance with Ind AS 115, 'Revenue from contracts with customers (Ind AS 115)'. The above computation involves significant management judgement to estimate the costs to complete, determine impact of contractual variations, claims and ability to deliver the contract within the contractual time limit. These contract estimates are reviewed by the management on a periodic basis. Considering high estimation uncertainty, complexities involved, and material impact on the consolidated financial statements, this area has been considered a key audit matter in the current year's audit.	Our audit procedures included, but were not limited to, the following: a) Obtained an understanding of the management's revenue recognition process and assessed the appropriateness of the accounting policy adopted by the Holding Company for revenue recognition in accordance with Ind AS 115. b) Evaluated the design and implementation, and tested the operating effectiveness of key internal financial controls over the contract revenue, contract costs and cost estimation process. c) For sample contracts, obtained the percentage of completion and revenue recognition computation from the management, and inspected the underlying documents such as customer contracts/agreements to assess appropriateness of identified performance obligations and transaction price, including impact of variable consideration, if any. We further tested the mathematical accuracy of the calculations. d) For costs incurred to date recorded during the year including during specific periods before and after the year-end, as considered in above management computation, we tested samples to appropriate supporting documentation such as invoices, agreements etc. e) To test the budgeted costs to complete, for sample contracts, obtained the breakdown of budgeted costs, tested the key elements of the budgeted costs, evaluated reasonableness of management's judgements and assumptions by using past trends and comparing the movement in estimated total contracts costs from previous periods. f) Performed analytical procedures such as project wise analysis to identify unusual trends in revenue recognition, if any. g) Evaluated the appropriateness and adequacy of the disclosures made in the consolidated financial statements for revenue recognised during the year in accordance with applicable accounting standards.



(ii) Recoverability of trade receivables and contract assets of the Holding Company	
Trade receivables and contract assets represents significant balances in the consolidated financial statements as at 31 March 2026. Refer Note 2(l) for material accounting policy information and Note 48A for credit risk disclosures. The Holding Company recognises expected credit loss ('ECL') allowance on trade receivables and contract assets as per the principles enunciated under Ind AS 109, Financial Instruments ('Ind AS 109'). Assessment of the recoverability of trade receivables and contract assets is inherently subjective and requires significant management judgement which includes assessment of credit risk profile of customers, project status, reasons for delay in certification of work done, customer budgetary approvals, past collection experience, ongoing litigations and disputes, if any, and consideration of current and future economic and market conditions. Based on such assessment, the management uses a provision matrix to recognise loss allowance in respect of such asset balances. Considering the significant judgement involved, high estimation uncertainty and significance of these balances to the consolidated financial statements, we have identified recoverability of trade receivables and contract assets as key audit matter for current year's audit. We further draw attention to the Note 14.1 to the accompanying consolidated financial statements, which is considered to be fundamental to the understanding of the users to the consolidated financial statements. The note describes an uncertainty to the outcome of an ongoing litigation with a customer on recoverability of balance amounting to INR 2,929 lakhs due from such customer, which is currently pending in the Commercial Court, Jaipur. Based on the management assessment of the aforesaid matter, the aforesaid amount receivable is considered good and recoverable as at the reporting date, and no adjustment has been made by the management in the accompanying consolidated financial statements.	Our audit procedures in respect of recoverability of trade receivables and contract assets included, but were not limited to, the following: a) Obtained an understanding of the process adopted by the Holding Company for determining the ECL provision and evaluated the appropriateness of the accounting policy adopted by the management in accordance with Ind AS 109; b) Evaluated the design and implementation, and tested the operating effectiveness of key internal financial controls over Management's assessment of recoverability of trade receivables and contract assets. c) Tested the key assumptions and arithmetical accuracy of the provision matrix model used by Management to calculate the probability of default and estimate the expected credit loss allowance on trade receivables and contract assets. d) For a sample of customers, tested the data around customer profiles, ageing of the outstanding trade receivables and collection received, considered in above model, by testing underlying data including invoice date and credits to bank statements. e) Evaluated the appropriateness and adequacy of the disclosures made in the consolidated financial statements in accordance with applicable accounting standards.

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

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the information included in the Management Discussion and Analysis and Directors' Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

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

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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



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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entity included in the consolidated financial statements, of which we are the independent auditors. For the other entity included in the consolidated financial statements, which has been audited by the other auditor, such other auditor remains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

12. 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.

13. 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.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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.

Other Matter

15. We did not audit the financial statements one (1) subsidiary, whose financial statements reflect total assets of INR 1.00 lakh as at 31 March 2026, total revenues of Nil and net cash inflows amounting to INR 1.00 lakh for the period 22 January 2026 to 31 March 2026, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Holding Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiary, are based solely on the reports of the other auditor.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

16. Based on our audit and on the consideration of the report of the other auditor, referred to in paragraph 15 above, on separate financial statements of the subsidiary, we report that the Holding Company incorporated in India whose financial statements have been audited under the Act has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the subsidiary company incorporated in India whose financial statements have been audited under the Act, since such subsidiary company is not a public company as defined under section 2(71) of the Act.



17. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us and by the respective other auditor as mentioned in paragraph 15 above, of companies included in the consolidated financial statements for the year ended 31 March 2026 and covered under the Act we report that:

A) Following is the qualification/ adverse remark reported by us in the Order report of the companies included in the consolidated financial statements for the year ended 31 March 2026 for which such Order reports have been issued till date:

S. No.	Name	CIN	Holding Company / subsidiary	Clause number of the CARO report which is qualified or adverse
1	Vikran Engineering Limited	L9300MH2008PLC272209	Holding Company	Clause (vii)(a)

18. As required by section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiary incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, 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 purpose of our audit of the aforesaid consolidated financial statements;

b) Except for the matters stated in paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.

c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

e) On the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company, and the report of the statutory auditor of its subsidiary covered under the Act, none of the directors of the Holding Company and its subsidiary are disqualified as on 31 March 2026 from being appointed as a director in terms of section 164(2) of the Act.

f) The qualification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 18(b) above on reporting under section 143(3)(b) of the Act and paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A', wherein we have expressed an unmodified opinion; and

h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiary incorporated in India whose financial statements have been audited under the Act:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 14.1 and Note 41 to the accompanying consolidated financial statements;

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ii. Provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts, as detailed in Note 25.1 to the accompanying consolidated financial statements;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary covered under the Act, during the year ended 31 March 2026;

iv.a. The respective managements of the Holding Company and its subsidiary incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary respectively that, to the best of their knowledge and belief as disclosed in Note 54 to the accompanying consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

iv.b. The respective managements of the Holding Company and its subsidiary incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in the Note 53 to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary shall, whether 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; and

iv.c. Based on such audit procedures performed by us and that performed by the auditor of the subsidiary, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditor's notice that has caused us or the other auditor to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v.a. The final dividend paid by the Holding Company during the year ended 31 March 2026 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

v.b. As stated in Note 46 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2026 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.



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vi. As stated in Note 56 to the accompanying consolidated financial statements and based on our examination which included test checks, and that performed by the auditor of subsidiary of the Holding Company which is a Company incorporated in India and audited under the Act, except for matter mentioned below, the Holding Company and its subsidiary (period from 22 January 2026 to 31 March 2026), in respect of financial year commencing on 01 April 2025, have used an accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and the auditor of the above-referred subsidiary did not come across any instance of audit trail feature being tampered with other than the consequential impact of the exception given below in respect of Holding Company. Furthermore, except for matter mentioned below, the audit trail has been preserved by the Holding Company as per the statutory requirements for record retention.

The Holding Company, in respect of financial year commencing on 01 April 2025, has used an accounting software which is operated by a third-party software service provider for maintaining its books of account which has a feature of recording audit trail facility and the same has been operated throughout the year for all relevant transactions recorded in the software at the application level. In absence of any information on existence of audit trail (edit log) facility for any direct data changes made at the database level in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3402, Assurance Reports on Controls at a Service Organization), we are unable to comment on whether audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions or whether there were any instances of audit trail feature being tampered with at the database level. The audit trail has been preserved at the application level by the Holding Company as per the statutory requirements for record retention. Further, due to absence of information in the Type 2 report, we are unable to comment on preservation of audit trail at the database level for the Holding Company.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rakesh R. Agarwal
Partner
Membership No.: 109632

UDIN: 26109632ENRNPK5746

Place: Mumbai
Date: 22 May 2026

Annexure A

Independent Auditor's Report on the internal financial controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of **Vikran Engineering Limited** ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as at and for the year ended **31 March 2026**, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls with reference to Consolidated Financial Statements

2. The respective Board of Directors of the Holding Company and its subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). 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 the company's business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements

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

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company, as aforesaid.



Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

6. A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

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

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

Opinion

8. In our opinion and based on the consideration of the report of the other auditor on internal financial controls with reference to financial statements of the subsidiary company, the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to consolidated financial statements and such controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to one (1) subsidiary company, which is a company covered under the Act, whose financial statements reflect total assets of INR 1.00 lakh as at 31 March 2026, total revenues of Nil, total net loss after tax of INR 0.25 lakh, total comprehensive loss of INR 0.25 lakh and net cash inflows amounting to INR 1.00 lakh for the period 22 January 2026 to 31 March 2026, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company has been audited by other auditor whose report has been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements for the Holding Company and its subsidiary company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company is based solely on the reports of the auditor of such company. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the report of the other auditor.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rakesh R. Agarwal
Partner
Membership No.: 109632

UDIN: 26109632ENRNPK5746

Place: Mumbai
Date: 22 May 2026

Vikran Engineering Limited
Consolidated Balance Sheet as at 31 March 2026
(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Assets			
Non-current assets			
a) Property, plant and equipment	4A	1,084	904
b) Investment properties	4B	207	207
c) Intangible assets	5	19	20
d) Right-of-use assets	6	836	150
e) Financial assets			
i) Trade receivables	14	2,926	2,929
ii) Other financial assets	9	1,472	2,069
f) Deferred tax assets (net)	10	3,013	1,524
g) Non current tax assets (net)	11	114	185
h) Other non-current assets	12	1,234	1,190
Total non-current assets		**10,905**	**9,178**
Current assets			
a) Inventories	13	7,992	5,994
b) Financial assets			
i) Investments	7	117	113
ii) Trade receivables	14	1,01,307	60,503
iii) Cash and cash equivalents	15	3,327	250
iv) Bank balances other than above	16	18,646	6,457
v) Loans	8	5,423	203
vi) Other financial assets	9	7,272	1,153
c) Contract assets	17	86,394	46,637
d) Other current assets	12	8,968	4,980
Total current assets		**2,39,446**	**1,26,290**
Total assets		**2,50,351**	**1,35,468**
Equity and Liabilities			
Equity			
a) Equity share capital	18	2,579	1,836
b) Other equity	19	1,21,158	44,951
Equity attributable to owners of the Holding Company		**1,23,737**	**46,787**
Non-controlling interest		-	-
Total equity		**1,23,737**	**46,787**
Liabilities			
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	20	4,584	3,192
ii) Lease liabilities	21	686	80
b) Provisions	25	384	359
Total non-current liabilities		**5,654**	**3,631**
Current liabilities			
a) Financial liabilities			
i) Borrowings	20	24,643	24,102
ii) Lease liabilities	21	177	72
iii) Trade payables	22		
- Dues of micro and small enterprises		5,489	9,181
- Dues of trade payables other than micro and small enterprises		73,353	38,581
iv) Other financial liabilities	23	822	1,709
b) Other current liabilities	24	13,049	7,068
c) Provisions	25	672	738
d) Current tax liabilities (net)	26	2,755	3,599
Total current liabilities		**1,20,960**	**85,050**
Total liabilities		**1,26,614**	**88,681**
Total equity and liabilities		**2,50,351**	**1,35,468**

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date attached.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration Number: 001076N / N500013

Rakesh R. Agarwal
Partner
Membership No. : 109632
Place: Mumbai
Date: 22 May 2026

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

VIKRAN ENGINEERING LIMITED

For and on behalf of the Board of Directors
Vikran Engineering Limited

Rakesh Markhedkar
Chairman & Managing Director
DIN : 07009284
Place: Thane
Date: 22 May 2026

Avinash Markhedkar
Whole Time Director
DIN : 03089201
Place: Thane
Date: 22 May 2026

Ashish Bahety
Chief Financial Officer
Place: Thane
Date: 22 May 2026

Kajal Rakholiya
Company Secretary
Place: Thane
Date: 22 May 2026

Vikran Engineering Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2026
(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2026	Year ended 31 March 2025 [Refer note 1(b)]
Income			
Revenue from operations	27	1,24,931	91,585
Other income	28	1,696	651
Total income		**1,26,627**	**92,236**
Expenses			
Cost of materials consumed	29	48,275	48,368
Project related expense	30	43,541	16,042
Employee benefits expense	31	8,383	6,763
Finance costs	32	6,644	5,358
Depreciation and amortisation expense	33	341	297
Other expenses	34	7,219	4,389
Total expenses		**1,14,403**	**81,217**
Profit before exceptional items and tax		**12,224**	**11,019**
Exceptional items - loss (net)	35	(121)	-
Profit before tax		**12,103**	**11,019**
Tax expense / (credit)			
Current tax	36	3,442	3,753
Tax pertaining to earlier years	36	-	78
Deferred tax	10	(509)	(593)
		2,933	**3,238**
Net profit for the year (a)		**9,170**	**7,781**
Other comprehensive income / (loss)			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of post employment benefit obligations		92	(116)
Income-tax relating to items not reclassified	10	(23)	29
Total other comprehensive income/ (loss) for the year (net of tax) (b)		**69**	**(87)**
Total comprehensive income for the year (a+b)		**9,239**	**7,694**
Profit for the year attributable to:			
- Owners of the Holding Company		9,170	7,781
- Non-controlling interest		-	-
Other comprehensive income / (loss) attributable to:			
- Owners of the Holding Company		69	(87)
- Non-controlling interest		-	-
Total comprehensive income for the year attributable to:			
- Owners of the Holding Company		9,239	7,694
- Non-controlling interest		-	-
Earnings per equity share (Face value of INR 1 each)	37		
Basic earnings per share (in INR)		4.05	4.35
Diluted earnings per share (in INR)		4.05	4.35

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date attached.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration Number: 001076N / N500013

Rakesh R. Agarwal
Partner
Membership No. : 109632
Place: Mumbai
Date: 22 May 2026

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

VIKRAN ENGINEERING LIMITED

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Chief Financial Officer
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Date: 22 May 2026

Kajal Rakholiya
Company Secretary
Place: Thane
Date: 22 May 2026

Vikran Engineering Limited
Consolidated Statement of Cash Flows for the year ended 31 March 2026
(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2026	Year ended 31 March 2025 [Refer note 1(b)]
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		**12,103**	**11,019**
Adjustments for:			
Balances written off/ (written back) (net)	28 & 34	(155)	(127)
Depreciation and amortisation expense	33	341	297
Finance costs on borrowings (including other borrowing costs) and leases	32	6,183	4,713
Interest attributable towards advance income tax	32	303	387
Exceptional items - loss	35	121	-
Interest income	28	(1,493)	(514)
Reversal of foreseeable losses on contracts (net)	27	(137)	(403)
Net gain on sale/ change in fair value of mutual fund investments	28	(4)	(7)
Gain/ (Loss) on sale/ disposal of property, plant and equipment and lease liabilities	28 & 34	(3)	0
Inventories written down	13	93	87
Allowance for expected credit loss on trade receivables	34	1,661	655
Loss allowance on contract assets	34	372	47
Operating profit before working capital changes		**19,385**	**16,154**
Changes in working capital:			
(Increase)/decrease in inventories	13	(2,090)	(1,008)
(Increase)/decrease in trade receivables	14	(42,384)	(17,697)
(Increase)/decrease in contract assets	17	(40,129)	(17,767)
(Increase)/decrease in other assets	9 & 12	(10,394)	(1,837)
Increase/(decrease) in trade payables	22	31,352	18,197
Increase/(decrease) in other liabilities	23 & 24	5,130	(6,847)
Increase/(decrease) in provisions	25	(25)	160
Cash generated from/ (used in) operations		**(39,155)**	**(10,645)**
Income taxes paid (net of refunds)	36(c)	(4,544)	(2,234)
Tax assets acquired pursuant to scheme of amalgamation	55	-	(28)
Net cash used in operating activities - [A]		**(43,699)**	**(12,907)**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Payment for purchase of property, plant and equipment and intangible assets (including capital advances and payable for capital goods)	4A, 4B & 5	(320)	(267)
Loan given during the year	8	(5,079)	(189)
Loan repayment received during the year	8	24	-
Proceeds from sale of property, plant and equipment	4A, 4B & 5	-	1
Investment in mutual funds	7	-	(15)
Maturity/(increase) in fixed deposits (not considered as cash and cash equivalent)	16	(11,299)	(971)
Interest received	28	1,091	514
Net cash used in investing activities - [B]		**(15,583)**	**(927)**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of equity shares (including securities premium and net off expenses directly attributable to issue of equity shares)	18 & 19	67,097	10,274
Principal paid on lease liabilities	21	(98)	(77)
Interest paid on lease liabilities	21	(59)	(11)
Proceeds from long term borrowings	20	5,000	5,120
Repayment of long term borrowings	20	(624)	(908)
Proceeds from short term borrowings	20	30,458	6,577
Repayment of short term borrowings	20	(32,932)	(1,834)
Dividend paid	45	(389)	(378)
Finance costs on borrowings paid	32	(6,094)	(4,702)
Net cash generated from financing activities - [C]		**62,359**	**14,061**
Net (decrease)/ increase in cash and cash equivalents - [A+B+C]		**3,077**	**227**
Cash and cash equivalents at the beginning of the year		250	8
Cash and cash equivalents acquired pursuant to scheme of amalgamation	55	-	15
Cash and cash equivalents at the end of the year	15	**3,327**	**250**
Non-cash financing activity : Issue of bonus shares	18	-	1,800
Non-cash investing activity : Acquisition of right-of-use assets	6	866	176
Non-cash investing activity : Deletion of right-of-use assets	6	71	224

Notes:
1) Figures in brackets represents outflow of cash and cash equivalents.
2) The consolidated statement of cash flows has been prepared under the "Indirect method" as set out in Indian Accounting Standard (Ind AS) 7 - "Statement of Cash Flows".
3) Reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities is given in Note 20(e) to the consolidated financial statements.

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration Number: 001076N / N500013

Rakesh R. Agarwal
Partner
Membership No. : 109632
Place: Mumbai
Date: 22 May 2026

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors
Vikran Engineering Limited

VIKRAN ENGINEERING LIMITED

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Chairman & Managing Director
DIN : 07009284
Place: Thane
Date: 22 May 2026

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Whole Time Director
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Place: Thane
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Ashish Bahety
Chief Financial Officer
Place: Thane
Date: 22 May 2026

Kajal Rakholiya
Company Secretary
Place: Thane
Date: 22 May 2026

Vikran Engineering Limited
Consolidated Statement of Changes in Equity for the year ended 31 March 2026
(All amounts in INR lakhs, unless otherwise stated)

A. Equity share capital

Particulars	Notes	Number of shares	Amount
Issued, subscribed and fully paid-up Equity shares			
As at 31 March 2024 (Equity shares of INR 10 each) [Refer note 1(b)]	18	3,32,029	33
Increase/ (decrease) during the year		18,32,49,101	1,803
As at 31 March 2025 (Equity shares of INR 1 each) [Refer note 1(b)]	18	18,35,81,130	1,836
Increase during the year		7,43,29,896	743
As at 31 March 2026 (Equity shares of INR 1 each)	18	25,79,11,026	2,579

B. Other equity

Particulars	Reserves and surplus			Total
	Securities premium	Retained earnings	Debenture Redemption Reserve	
Balance as at 01 April 2024 [Refer note 1(b)]	10,314	18,782	-	29,096
Profit for the year	-	7,781	-	7,781
Other comprehensive income / (loss) (net of tax)	-	(87)	-	(87)
Dividend paid during the year (Refer note 45)	-	(378)	-	(378)
Securities premium on equity shares issued during the year	10,401	-	-	10,401
Issue of bonus shares during the year	(1,800)	-	-	(1,800)
Expenses directly attributable to issue of equity shares	(130)	-	-	(130)
Tax impact on expenses directly attributable to issue of equity shares	26	-	-	26
Adjustment on account of scheme of amalgamation (Refer note 55)	-	42	-	42
Transferred to debenture redemption reserve	-	(500)	500	-
Balance as at 31 March 2025 [Refer note 1(b)]	18,811	25,640	500	44,951
Profit for the year	-	9,170	-	9,170
Dividend paid during the year (Refer note 45)	-	(389)	-	(389)
Other comprehensive income / (loss) (net of tax)	-	69	-	69
Securities premium on equity shares issued during the year through IPO	71,357	-	-	71,357
Expenses directly attributable to issue of equity shares	(5,003)	-	-	(5,003)
Tax impact on expenses directly attributable to issue of equity shares	1,003	-	-	1,003
Transferred from debenture redemption reserve	-	500	(500)	-
Balance as at 31 March 2026	86,168	34,990	-	1,21,158

Nature of reserves:

i) Securities premium

Securities premium is used to record the premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

ii) Retained earnings

Retained earnings represents the accumulated profits / losses made by the Group over the years as reduced by dividends or other distributions paid to the shareholders, and includes remeasurement gains/ loss on defined benefit plan.

iii) Debenture Redemption Reserve (DRR)

The Holding Company had issued redeemable non-convertible debentures and, in accordance with the requirements of the Companies (Share Capital and Debentures) Rules, 2014 (as amended), had created a DRR in the past.
The requirement to maintain a DRR is not applicable to listed companies. Accordingly, the balance standing in the DRR has been transferred to retained earnings during the year ended 31 March 2026 post listing of the Holding Company on stock exchanges.

The accompanying notes form an integral part of these consolidated financial statements.
As per our report of even date attached.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration Number: 001076N / N500013

Rakesh R. Agarwal
Partner
Membership No.: 109632
Place: Mumbai
Date: 22 May 2026

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors
Vikran Engineering Limited

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DIN : 07009284
Place: Thane
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VIKRAN ENGINEERING LIMITED

Ashish Bahety
Chief Financial Officer
Place: Thane
Date: 22 May 2026

Kajal Rakholiya
Company Secretary
Place: Thane
Date: 22 May 2026

Corporate Information

Vikran Engineering Limited (formerly, Vikran Engineering Private Limited) (the "Company" or "Vikran" or "VEL" or "the Holding Company") is a Company domiciled in India. The Holding Company having CIN L9300MH2008PLC272209, is an Engineering, Procurement and Construction (EPC) Company. The Holding Company, together with its subsidiary (hereinafter, the "Group") provides end-to-end services from conceptualisation, design, supply, installation, testing and commissioning on a turnkey basis and has presence across multiple sectors including power, water, and railway infrastructure. The registered office of the Holding Company is located at 401, Odyssey IT Park, Road No. 9, Industrial Wagle Estate, Thane, Maharashtra, India – 400 604.

The equity shares of the Holding Company got listed on National Stock Exchange of India Limited and BSE Limited on 03 September 2025.

The consolidated financial statements for the year ended 31 March 2026 were authorised for issue by the Board of Directors of the Holding Company on 22 May 2026.

1) Basis of preparation

(a) The consolidated financial statements have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules, 2015, other relevant provisions of the Act, the presentation and disclosure requirement of Division II of Schedule III to the Act (Ind AS compliant Schedule III), and the guidelines issued by Securities Exchange Board of India, as applicable.

(b) The Holding Company has prepared the consolidated financial statements for the first time for the year ended 31 March 2026, consequent to incorporation of a wholly owned subsidiary – Vikran MP Solar Private Limited (effective 22 January 2026) during the current year. Accordingly, figures for the previous year presented in these consolidated financial statements represents the standalone financial statements of the Holding Company and are not strictly comparable with the current year consolidated financial statements.

(c) The consolidated financial statements have been prepared using going concern assumption and on a historical cost basis, except for certain financial assets and liabilities, defined benefit obligations, which are measured at fair value.

(d) The consolidated financial statements are presented in Indian Rupee (INR), which is also the Holding Company's functional currency. All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest lakh as per the requirements of Schedule III, unless otherwise stated. Any amount appearing in consolidated financial statements as '0' represent amount less than INR 50,000.

(e) Assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Group as per the guidance set out in Schedule III to the Act. Operating cycle for the business activities of the Group related to long term contracts covers the duration of the project/ contract/ service including the defect liability/ warranty period, where applicable and extends up to the realisation of receivables (including retention monies) within the credit period normally applicable to the respective project/ contract/ service. Deferred tax assets and liabilities are classified as non-current only.
Assets and liabilities other than those relating to long term contracts are classified as current if it is expected to realise or settle within 12 months after the balance sheet date.

2) Summary of material accounting policy information

This note provides a summary of the material accounting policies adopted in the preparation of these consolidated financial statements.

a) Basis of consolidation

The consolidated financial statements have been prepared on the following basis:

Subsidiaries

Subsidiaries are the entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases. The acquisition method of accounting is used to account for business combination by the Group. The Group combines the separate financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, contingent liability, equity, income and expenses. Intergroup transactions, balances and unrealised gains on transactions between group companies

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VIKRAN ENGINEERING LIMITED

are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. The subsidiary has a reporting date of 31 March 2026.

Change in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests or reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity. When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit and loss. The fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in OCI in respect of that entity are reclassified to profit or loss as if the Group had directly disposed of the related assets and liabilities.

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

Other explanatory notes
Notes to the consolidated financial statements represent notes involving items which are considered material and are accordingly disclosed. Materiality for the purpose is assessed in relation to the information contained in the financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a Holding Company having no bearing on the true and fair view of the Group's position or results, has not been disclosed in these consolidated financial statements.

b) Revenue Recognition

Revenue is measured based on the transaction price, which is the consideration, adjusted for variable considerations, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for variable considerations are estimated based on accumulated experience and underlying agreements with customers. Revenue is recognised when the Group satisfies performance obligations by transferring the promised services or goods to its customers. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- As the entity performs, the customer simultaneously receives and consumes the benefits provided by the entity's performance.
- The entity's performance creates or enhances an asset (e.g., work in progress) that the customer controls as the asset is created or enhanced.
- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Performance obligations with reference to EPC contracts are satisfied over the period of time, and accordingly, revenue from such contracts is recognized based on progress of performance determined using input method with reference to the cost incurred on contract and their estimated total costs. Margin is not recognised until the outcome of the contract is certain. Transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. Revenue, measured at transaction price, is adjusted towards liquidated damages, time value of money and price variations, escalation, change in scope etc. wherever, applicable. Variation in contract work and other claims are included to the extent that the amount can be measured reliably, and there is no uncertainty regarding non-acceptance of such variation/ claims by the customer.

The Group evaluates whether each contract consists of a single performance obligation or multiple performance obligations. Due to the nature of the work required to be performed on many of the performance obligations, the estimation of total revenue and cost at completion is subject to many variables and requires significant judgement. The Group considers its experience with similar transactions and expectations regarding the contract in estimating the amount of variable consideration to which it will be entitled and determining whether the estimated variable consideration should be constrained. The Group includes estimated amounts in the transaction price to the extent it is probable that a significant

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CHARTERED ACCOUNTANTS
VIKRAN ENGINEERING LIMITED

reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price.

Progress billings are generally issued upon completion of certain phases of the work as stipulated in the contract. Billing terms of the over-time contracts vary but are generally based on achieving specified milestones. The difference between the timing of revenue recognised and customer billings result in changes to contract assets (unbilled work in progress) and contract liabilities. Contractual retention amounts billed to customers are generally due upon expiration of the contract period.

The contracts generally result in revenue recognised in excess of billings which are presented as contract assets in the consolidated balance sheet. Amounts billed and due from customers are classified as receivables on the statement of financial position. 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 Group's remaining performance as specified under the contract, which is consistent with the industry practice. Contract liabilities represent amounts billed to customers in excess of revenue recognised till date. A liability is recognised for advance payments, and it is not considered as a significant financing component since it is used to meet working capital requirements at the time of project mobilization stage. The same is presented as contract liability in the consolidated balance sheet.

Estimates of revenue and costs are reviewed periodically and revised, wherever circumstances change, resulting increases or decreases in revenue determination, is recognized in the consolidated statement of profit and loss in the period in which estimates are revised.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in consolidated statement of profit and loss immediately in the period in which such costs are incurred.

Interest income is accrued on a time proportion basis, by reference to the amount outstanding and at the effective interest rate applicable.

Income other than the above is recognised as and when due or received, whichever is earlier.

c) Taxes

Income tax expense comprises of current tax expense and deferred tax expenses. Current tax and deferred tax are recognized in consolidated statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

(i) Current income tax:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act of the respective jurisdiction. The current tax is calculated using tax rates that have been enacted or substantively enacted, at the reporting date.

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 realise the asset and settle the liability simultaneously.

(ii) Deferred tax:

Deferred tax is recognized using the Balance Sheet approach on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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.

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VIKRAN ENGINEERING LIMITED

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 profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

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

The Group recognises deferred tax liability for all taxable temporary differences, except to the extent that both of the following conditions are satisfied:

- When the Group can control the timing of the reversal of the temporary difference; and
- It is probable that the temporary difference will not reverse in the foreseeable future.

d) Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. Cost of property, plant and equipment comprises purchase price, non-refundable taxes, levies, borrowing cost if capitalization criteria are met and any directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the consolidated statement of profit and loss as and when incurred.

Depreciation on property, plant and equipment is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 as per straight line method.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each period end and adjusted prospectively, if appropriate.

On transition to Ind AS, the Group had elected to continue with the carrying value of all of its property, plant and equipment recognised and measured as per the previous GAAP and had used that carrying value as the deemed cost of the property, plant and equipment.

e) Investment properties

Investment properties are held to earn rentals or for capital appreciation, or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognised in consolidated statement of profit and loss as incurred. Subsequent to initial recognition, investment properties are measured at cost less any accumulated impairment losses.

On transition to Ind AS, the Group had elected to continue with the carrying value of all of its investment properties, recognised and measured as per the previous GAAP and had used that carrying value as the deemed cost of the property, plant and equipment.

f) Intangible assets

Intangible assets such as computer software acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any.

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VIKRAN ENGINEERING LIMITED

Intangible assets are amortised over their estimated useful life of 3 years on straight line method and is recognised in the consolidated statement of profit and loss under the head "Depreciation and Amortisation expense". The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

On transition to Ind AS, the Group had elected to continue with the carrying value of all of intangible assets recognised and measured as per the previous GAAP and had used that carrying value as the deemed cost of the property, plant and equipment.

g) Inventories

The stock of construction materials, stores, spares is valued at cost or net realisable value, whichever is lower. However, these items are considered to be realisable at cost if the finished products in which they will be used, are expected to be sold at or above cost. Cost is determined on weighted average basis and includes all applicable cost of bringing the goods to their present location and condition. Revenue from sale of scrap material is presented as reduction from cost of materials consumed in the consolidated statement of profit and loss.

h) Cash and cash equivalents

Cash and cash equivalents comprises cash in hand and demand deposits with banks, short-term balances (with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Margin money deposits, earmarked balances with banks and other bank balances which have restrictions are presented as other bank balances.

i) Borrowing costs

Borrowing costs consists of interest, ancillary costs and other costs in connection with the borrowing of funds.

Borrowing costs attributable to acquisition and/or construction of qualifying assets are capitalised as a part of the cost of such assets, up to the date such assets are ready for their intended use. All other borrowing costs are charged to the consolidated statement of profit and loss.

j) Impairment of non-financial assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the Statement of profit and loss.

k) Leases

The Group 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 of time in exchange for consideration.

Group as a lessee

At the commencement date of a lease, the Group recognises a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Right-of-use assets are measured at cost, less any accumulated depreciation, impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized and lease payments made at or before the commencement date. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or

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a change in the lease term. The Group separately recognises the interest expense on the lease liability as finance cost and the depreciation expense on the right-of-use asset.

The Group accounts for a lease modification as a separate lease when both of the following conditions are met:

- The modification increases the scope of the lease by adding the right to use one or more underlying assets.
- The consideration for the lease increases commensurate with the price for the increase in scope and any adjustments to that stand-alone price reflect the circumstances of the particular contract.

For a lease modification that fully or partially decreases the scope of the lease the Group decreases the carrying amount of the right-of-use asset to reflect partial or full termination of the lease. Any difference between those adjustments is recognized in profit or loss at the effective date of the modification.

The Group has elected to use the exemptions proposed by the standard on lease contracts for which the lease terms end within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value. The Group recognises the lease payments associated with such leases as an expense in the consolidated statement of profit and loss.

I) Financial Instruments and Equity Instruments

Initial recognition and measurement

Financial instruments (assets and liabilities) are recognised when the Group becomes a party to a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets (unless it is a trade receivable without a significant financing component) and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, other than those designated as fair value through profit or loss (FVTPL), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in consolidated statement of profit and loss. A trade receivable without a significant financing component is initially measured at the transaction price. The amount of retention money held by the customers is disclosed as part of trade receivables.

i. Financial assets

All regular way purchase or sale of financial assets are recognised and derecognised on a trade date basis. Regular way purchase or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Subsequent measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets:

a) Financial assets measured at amortised cost

b) Financial assets measured at fair value through profit or loss (FVTPL)

Financial assets measured at amortised cost

A financial asset is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts estimated future cash receipts (including all fees, transaction costs and other premiums or discounts) through the expected life of the debt instrument or where appropriate, a shorter period, to the net carrying amount on initial recognition.

The EIR amortisation is included in other income in the consolidated statement of profit and loss. The losses arising from impairment are recognised in the consolidated statement of profit and loss. This category generally applies to trade and other receivables, loans, etc.

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Financial assets measured at FVTPL

Debt instrument

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the consolidated statement of profit and loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

• The rights to receive cash flows from the asset have expired, or

• The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement; and either

- the Group has transferred substantially all the risks and rewards of the asset, or

- the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

• Debt instruments measured at amortised cost e.g., bank deposits and loan assets

• Trade receivables

• Other financial assets not designated as FVTPL

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

For recognition of impairment loss on financial assets other than trade receivables, the Group determines 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. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables as well as contract assets. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

ii. Financial liabilities

Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the EIR method or at FVTPL.

Financial liabilities at amortised cost

After initial recognition, interest-bearing borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in consolidated statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by considering 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 consolidated statement of profit and loss.

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Financial liabilities at FVTPL

Financial liabilities are classified as FVTPL when the financial liabilities are held for trading or are designated as FVTPL on initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

iii. Trade receivables

A receivable represents the Group's right to an amount of consideration under the contract with a customer that is unconditional and realizable on the due date (i.e., only the passage of time is required before payment of the consideration is due). Trade receivable without a significant financing component is initially measured at the transaction price.

iv. Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per agreed terms. Trade payables are presented based on the operating cycle of the Group. They are recognised initially at their transaction price and subsequently measured at amortised cost using the effective interest method.

v. Offsetting financial instruments

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of expenses directly attributable to issue of such equity.

m) Provisions (other than employee benefits)

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

n) Provision for warranty

The estimated liability for warranty is recorded at the commencement of defect liability period. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence based on corrective actions during the period under warranty phase.

o) Contingencies

Disclosure of contingent liabilities is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the consolidated financial statements however such assets are assessed continuously and if it is virtually certain that an inflow of economic benefits will arise, the assets and the related income are recognised in the period in which the change occurs. Contingent assets are disclosed where an inflow of economic benefits is probable.





p) Employee Benefits

Liability on account of short-term employee benefits is recognised on an undiscounted and accrual basis during the period when the employee renders service/ vesting period of the benefit.

Defined Contribution Plan:
The Group pays contribution to the provident fund, labour welfare fund and employee state insurance corporation which is administered by respective Government authorities. The Group has no further payment obligations once the contributions have been paid. The Contributions are recognized as employee benefit expense in the consolidated statement of profit and loss to the year it pertains.

Defined benefit plan:
(a) Gratuity: The Group's liability towards gratuity is based on the actuarial valuation using the projected unit credit method which considers each period of service as giving rise to additional unit of benefit entitlement and measures each unit separately to build up the final obligation. The cost for past services is recognized on a straight-line basis over the average period until the amended benefits become vested.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the consolidated statement of changes in equity and in the consolidated balance sheet.

Obligation is measured at the present value of estimated future cash flows using a discount rate that is determined by reference to market yields at the reporting date on Government bonds where the currency and the terms of Government bonds are consistent with the currency and estimated term of defined benefit obligation.

(b) Compensated absences: The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the period end. The Group presents the entire compensated absences provision as a current liability in the consolidated balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

q) Earnings Per Share

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

Diluted earnings per share is computed by dividing the net profit for the period as adjusted for dividend, interest and other changes to expense and income (net of any attributable taxes) relating to the dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

r) Exceptional items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

s) Segment reporting

Operating segments are identified based on the manner in which the Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance of the Group. The Managing Director and Whole Time Directors are identified as CODM of the Holding Company The CODM regularly monitors and reviews the operating result as one segment of EPC. Thus, as defined in Ind AS 108 "Operating Segments", the Group's entire business falls under this one operational segment.

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t) Debenture Redemption Reserve (DRR)

The Group creates DRR in accordance with the applicable provisions of the Companies Act, 2013, out of profits of the Group available for payment of dividend. Upon cessation of the statutory requirement to maintain the DRR, the balance therein is transferred to retained earnings.

u) Initial Public Offer (IPO) related transaction costs

The expenses pertaining to IPO includes expenses pertaining to fresh issue of equity shares, offer for sale by selling shareholders and listing of equity shares and is accounted for as follows:

- Incremental costs that are directly attributable to issuing new shares were deferred until successful consummation of IPO upon which have been deducted from equity;
- Incremental costs that are not directly attributable to issuing new shares or offer for sale by selling shareholders, are recorded as an expense in the consolidated statement of profit and loss as and when incurred; and
- Costs that relate to fresh issue of equity shares and offer for sale by selling shareholders are allocated between those functions on a rational and consistent basis as per agreed terms.

v) Supplier finance arrangements

The Group has entered into supplier finance arrangements with financial institutions to facilitate settlement of amounts due to suppliers. The classification of liabilities arising under such arrangements requires management judgment based on the specific terms and conditions of the arrangement and an assessment of the economic substance of the transaction.

Liabilities subject to supplier finance arrangements continue to be presented as trade payables where the arrangement does not result in a substantial modification of the original terms of the underlying trade payable and the transaction remains operating in nature. In such cases, the arrangement is considered a mechanism for facilitating payment to suppliers, and the related obligation continues to form part of the Group's normal working capital cycle.

Where the supplier finance arrangement results in a substantial modification of the original liability or the economic substance of the transaction is determined to be financing in nature, including situations where the Group obtains extension of credit terms such that the obligation no longer forms part of its normal working capital cycle, the original trade payable is derecognized and a corresponding financial liability is recognized as borrowings. Subsequent measurement of such liabilities is performed in accordance with the accounting policy applicable to borrowings.

w) Share issue expenses

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Act, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the consolidated statement of profit and loss.

x) Events occurring after the balance sheet date

Based on the nature of the event, the Group identifies the events occurring between the balance sheet date and the date on which the consolidated financial statements are approved as 'Adjusting Event' and 'Non-adjusting event'. Adjustments to assets and liabilities are made for events occurring after the balance sheet date that provide additional information materially affecting the determination of the amounts relating to conditions existing at the balance sheet date or because of statutory requirements or because of their special nature. For non-adjusting events, the Group may provide a disclosure in the consolidated financial statements considering the nature of the event/ transaction.

2.1 Key accounting estimates and judgements

The preparation of the Group's consolidated financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Management believes that the estimates used in the preparation of the consolidated financial statements are prudent and reasonable. Estimates and underlying assumptions are reviewed by management at each reporting date. Actual results could differ from these estimates. Any revision of these estimates is recognised prospectively in the current and future periods.

Information about significant areas of estimation and assumptions/ uncertainty and judgements in applying accounting policies are as follows:

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(i) Deferred tax assets

The assessment of the probability of future taxable profit in which deferred tax assets can be utilized is based on the Group's latest forecast, which is adjusted for significant non-taxable profit and expenses and specific limits to the use of any unused tax loss or credit. If a positive forecast of taxable profit indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized in full.

(ii) Revenue recognition

Determination of revenue under percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentage of completion, costs to completion, the expected revenue from the project or activity and foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in the consolidated financial statements in the year in which such changes are determined.

(iii) Current income taxes

The tax jurisdiction for the Holding Company is India. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

(iv) Accounting for defined benefit plans

In accounting for post-retirement benefits, several statistical and other factors that attempt to anticipate future events are used to calculate plan expenses and liabilities. These factors include expected discount rate assumptions and rate of future compensation increases. To estimate these factors, actuarial consultants also use estimates such as withdrawal, turnover, and mortality rates which require significant judgment. The actuarial assumptions used by the Group may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

(v) Impairment

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount to determine the recoverable amount, management estimates expected future cash flows from each asset or cash generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary and may cause significant adjustments to the Group's assets.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

(vi) Foreseeable losses

In case of contracts, when it is probable that total contract costs will exceed total contract revenue, the expected loss (foreseeable loss) is recognised. Such loss is measured based on management experience of handling similar contract in past and estimates regarding possible future incidence during the contract period.

(vii) Expected credit loss

The measurement of ECL reflects a probability-weighted outcome, the time value of money and the best available forward-looking information, market condition, credit profile of the customer, project status, past collection experience, litigation (if any). The correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. The amount of expected credit loss is sensitive to changes in circumstances and forecasted economic conditions. The Group's historical credit loss experience and forecast of economic conditions may not be representative of the actual default in the future.

(viii) Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the

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assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

(ix) Provisions and contingent liabilities

A provision is recognised when the Group has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each reporting date and adjusted to reflect the current best estimates. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgements and the use of estimates regarding the outcome of future events.

(x) Joint arrangements

Based on the requirement of tender issuing authority/ prospective customer, the Group has formed joint arrangement which are not body corporate. The Group applies judgment considering the underlying terms agreed with the venturer, substance of transactions and responsibility assumed by the Group including managing operations of such venture. Basis such assessment, if the Group determines that (a) joint control does not exist and (b) in substance it assumes practically all the risk and rewards related to such arrangements, it considers such arrangement as its own extension. Accordingly, as at reporting periods, the Group has included the results and transactions of such arrangements in its consolidated financial statements and has not considered such arrangements as separate component for reporting purpose.

(xi) Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease required significant judgement. The Group uses judgement in assessing the lease term (including anticipated renewals) and the applicable incremental borrowing rate. The Group revises the lease term if there is a change in non-cancellable period of a lease.

(xii) Business combination

Management applies judgement in determining whether an acquisition/ merger constitute a business combination or not. In applying judgement, the Group determines whether the acquisition/ merger constitute inputs and when processes are applied to those inputs, it should have the ability to contribute to the creation of outputs. In case such criteria is not met, the acquisition/ merger is not considered as business combination.

(xiii) Useful lives of depreciable assets

Management reviews its estimate of the useful lives and residual values of depreciable assets at each reporting date, based on the expected utility of the assets. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Group's assets are determined by the management at the time the asset is acquired and reviewed periodically.

(xiv) Allowances for inventories

Management reviews the inventory age listing on a periodic basis. The purpose is to ascertain whether an allowance is required to be made for any obsolete and slow-moving items. The Group also takes into account the recoverability of project-specific inventory based on factors such as the stage of project execution, expected future consumption, defect liability and operations & maintenance phases, physical condition, and the risk of obsolescence or deterioration. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the consolidated financial statements.

3) Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2026, MCA has notified following amendment to Ind AS, applicable to the Group w.e.f. 01 April 2025.

Ind AS 21: The Effects of Changes in Foreign Exchange Rates relating to lack of exchangeability.

Ind AS 12: Income Taxes relating to International Tax Reform – Pillar Two Model Rules – Exception to recognition and disclosure of deferred tax.

Ind AS 7: Statement of Cash Flows and Ind AS 107: Financial Instrument: Disclosures, relating to supplier finance arrangements.

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Ind AS 1: Presentation of Financial Statements relating to classification of liabilities as current or non- current and non-current liabilities with covenants.

The Group has determined that it does not have any material impact in its consolidated financial statements of the above amendments except for the implementation of amendments related to supplier finance arrangements which have been appropriately disclosed in the consolidated financial statements.

New and amended standards which are issued but not yet effective and has not been early adopted by the Group

Ind AS 1 - The amendment requires that if a covenant breach is rectified after the reporting date, the same will be treated as a non-adjusting event and this amendment will be applicable from annual reporting periods beginning on or after the 01 April 2026.

The Group does not expect to have a material impact of the above amendment on the consolidated financial statements.

Ind AS 118 "Presentation and Disclosure in Financial Statements" ('Ind AS 118'), is proposed to replace Ind AS 1 "Presentation of Financial Statements" and is expected to be implemented for annual reporting periods beginning on or after 01 April 2027. Ind AS 118 introduces revised presentation requirements in the statement of profit and loss and enhanced disclosure requirements. The standard is expected to impact presentation and disclosures but not the recognition and measurement.

The Group is currently evaluating the impact of this standard on the accompanying consolidated financial statements.

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Vikran Engineering Limited
Notes to the consolidated financial statements as at and for the year ended 31 March 2026
(All amounts in INR lakhs, unless otherwise stated)

Note 4A: Property, plant and equipment

Particulars	Land	Office Premise	Temporary Sheds	Plant and Machinery	Electrical Equipment	Computers	Tools and Tackles	Furniture and Fixtures	Vehicles	Office Equipment	Total
Gross carrying amount											
As at 31 March 2024 [Refer note 1(b)]	73	279	74	143	97	252	461	150	134	50	1,713
Additions	-	-	18	2	2	24	29	2	146	28	251
Disposals	-	-	-	-	-	-	-	-	(1)	-	(1)
As at 31 March 2025 [Refer note 1(b)]	73	279	92	145	99	276	490	152	279	78	1,963
Additions	-	-	5	-	49	52	75	106	12	54	353
Disposals	-	-	-	-	-	-	-	-	(0)	-	(0)
As at 31 March 2026	73	279	97	145	148	328	565	258	291	132	2,316
Accumulated depreciation											
As at 31 March 2024 [Refer note 1(b)]	-	36	54	29	53	178	316	75	83	25	849
Depreciation charge for the year	-	4	19	9	9	33	90	14	22	10	210
Reversal on disposals	-	-	-	-	-	-	-	-	0	-	0
As at 31 March 2025 [Refer note 1(b)]	-	40	73	38	62	211	406	89	105	35	1,059
Depreciation charge for the year	-	4	7	9	11	39	46	15	28	14	173
Reversal on disposals	-	-	-	-	-	-	-	-	(0)	-	(0)
As at 31 March 2026	-	44	80	47	73	250	452	104	133	49	1,232
Net carrying amount											
As at 31 March 2025 [Refer note 1(b)]	73	239	19	107	37	65	84	63	174	43	904
As at 31 March 2026	73	235	17	98	75	78	113	154	158	83	1,084

Note:
i) Refer note 20 for the assets forming part of property, plant and equipment which are offered as security/ charge for the borrowings availed by the Group.





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Notes to the consolidated financial statements as at and for the year ended 31 March 2026
(All amounts in INR lakhs, unless otherwise stated)

Note 4B: Investment Properties

Particulars	Amount
Gross carrying amount	
Balance as at 01 April 2024 [Refer note 1(b)]	207
Additions during the year	-
Balance as at 31 March 2025 [Refer note 1(b)]	207
Additions during the year	-
Balance as at 31 March 2026	207
Accumulated depreciation	
Balance as at 01 April 2024 [Refer note 1(b)]	-
Depreciation charge for the year	-
Balance as at 31 March 2025 [Refer note 1(b)]	-
Depreciation charge for the year	-
Balance as at 31 March 2026	-
Net carrying amount:	
As at 31 March 2025 [Refer note 1(b)]	**207**
As at 31 March 2026	**207**

Notes:

i) Investment properties of the Group comprise of land in respect of which the work towards its development has not been started as at the reporting dates.

ii) The Group has not earned any income from its investment properties during the reporting years.

iii) As at 31 March 2026 and 31 March 2025, the fair value of the properties are INR 2,696 lakhs and INR 2,696 lakhs respectively. The valuation is based on valuation performed by an independent valuer registered in terms of the Act. Such independent valuer has considered the circle rate issued by the local authority for determining the fair value. Circle rates are primarily dependent on factors such as location, zoning, market trends, infrastructure, and other amenities available in the area.

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Note 5: Intangible Assets

Particulars	Computer software	Total
Gross carrying amount		
As at 01 April 2024 [Refer note 1(b)]	**257**	**257**
Additions during the year	7	7
As at 31 March 2025 [Refer note 1(b)]	**264**	**264**
Additions during the year	3	3
As at 31 March 2026	**267**	**267**
Accumulated amortisation		
As at 01 April 2024 [Refer note 1(b)]	**234**	**234**
Amortisation charge for the year	10	10
As at 31 March 2025 [Refer note 1(b)]	**244**	**244**
Amortisation charge for the year	4	4
As at 31 March 2026	**248**	**248**
Net carrying amount		
As at 31 March 2025 [Refer note 1(b)]	20	**20**
As at 31 March 2026	19	**19**

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Note 6: Right-of-use (ROU) assets

Particulars	Leased premises	Total
Gross carrying amount		
As at 01 April 2024 [Refer note 1(b)]	**295**	**295**
Additions during the year	176	176
Disposals during the year	(224)	(224)
As at 31 March 2025 [Refer note 1(b)]	**247**	**247**
Additions during the year	866	866
Disposals during the year	(71)	(71)
As at 31 March 2026	**1,042**	**1,042**
Accumulated depreciation		
As at 01 April 2024 [Refer note 1(b)]	**200**	**200**
Depreciation charge for the year	77	77
Reversal on disposals	(180)	(180)
As at 31 March 2025 [Refer note 1(b)]	**97**	**97**
Depreciation charge for the year	164	164
Reversal on disposals	(55)	(55)
As at 31 March 2026	**206**	**206**
Net carrying amount		
As at 31 March 2025 [Refer note 1(b)]	150	**150**
As at 31 March 2026	836	**836**

Note:

(i) Refer note 39 for disclosure on leased asset.

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Note 7: Investments

Particulars	Face Value per share/unit	Number of Shares/Units		Amount	
		As at 31st March 2026	As at 31st March 2025	As at 31st March 2026	As at 31st March 2025
Current					
A. Investment carried at fair value through profit or loss (FVTPL)					
Unquoted:					
Mutual Funds**					
Union Balanced Advantage Fund Regular Plan - Growth	10	1,78,555	1,78,555	34	34
LIC MF Banking And PSU Debt Fund - Direct Plan-Growth	10	4,093	4,093	2	2
Union Corporate Bond Fund Regular Plan - Growth	10	4,97,708	4,97,708	78	74
Baroda BNP Paribas Multi Assets Fund - Regular Growth	10	19,989	19,989	3	3
Total current investments				**117**	**113**

Summary of Investments (Current)

Particulars	Amount	
	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	117	113
Aggregate amount of impairment allowance in the value of investments	-	-
Investments carried at cost	-	-
Investments carried at fair value through other comprehensive income (FVTOCI)	-	-
Investments carried at fair value through profit and loss (FVTPL)	117	113

** Includes INR 117 lakhs (31 March 2025 : INR 113 lakhs) given as collaterals against borrowings taken by the Group.

Note: Information required under section 186(4) to the Act
(a) The Group has not made any investment except as disclosed above.

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Note 8: Loans

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Unsecured, considered good		
Loan to a related party* (Refer note 42)	397	203
Loan to others**	5,026	-
	5,423	**203**
Sub-classification of loans:		
Loans considered good - secured	-	-
Loans considered good - unsecured	5,423	203
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
	5,423	**203**

* Loan to a related party represents loan given to an entity in which one of the directors is a director.

** Loan to others represents loan given to other business entity solely for business purposes including working capital requirement.

Note: Information required under section 186(4) to the Act

(a) Loan to a related party carries an interest rate of 18.00% p.a. The same has been given towards general corporate and working capital purposes and is repayable on demand.

(b) Loan to others carries an interest of 15.00% p.a. The same has been given for business purposes including working capital purposes and is repayable on demand.

Disclosure pursuant to the Regulation 34(3) read with para A of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Loans given to related party:

Name of the entity to whom loan given	Nature (Loan / Guarantee / Security / Investment)	Purpose	Amount outstanding as on	
			31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Power and Control Transformers Industries Private Limited	Loan	General corporate and working capital	397	203
			397	**203**

Name of the entity to whom loan given	Nature (Loan / Guarantee / Security / Investment)	Purpose	Maximum amount outstanding during the year ended	
			31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Power and Control Transformers Industries Private Limited	Loan	General corporate and working capital	397	203
			397	**203**

Further, no investment is held by the above related party in the shares of the Holding Company.

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Note 9: Other financial assets

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Non-current (Unsecured, considered good)		
Security deposits**	74	-
Bank deposits		
Bank deposits having remaining maturity of more than 12 months*	1,398	2,069
	1,472	**2,069**
Current (Unsecured, considered good)		
Security deposits**	6,994	638
Earnest money deposits (EMD)**	169	369
Receivable from promoter selling shareholder $$	-	57
Other receivables***	109	89
	7,272	**1,153**
Sub-classification of security deposits and EMDs:		
Considered good - secured	-	-
considered good - unsecured	7,237	1,007
Significant increase in credit risk	-	-
Credit impaired	-	-
	7,237	**1,007**

* For details of fixed deposits held as security, refer note 16.

** Security deposits and EMDs are interest free non-derivative financial assets carried at amortised cost. These primarily includes deposits given against rented premises, tender bidding and towards certain borrowings availed by the Group.

$$ Represents expense recoverable from the promoter selling shareholder, which has been incurred by the Holding Company towards Initial Public Offering (IPO) of the equity shares of the Holding Company. The same was recoverable in the proportion of offer for sale to total issue size and has been recovered in the current year.

*** Primarily includes reimbursements receivable from customers towards amount paid for crop compensation, claim receivable from an insurance company against theft and expenses incurred on behalf of other parties.





Note 10: Deferred tax assets (net)

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Deferred tax liabilities arising on account of:		
Temporary differences between right of use assets and lease liability	7	1
Others (including unrealised gain on investments carried at FVTPL)	6	0
	13	**1**
Deferred tax assets arising on account of:		
Expense allowable on payment basis	1,004	998
Impact of items allowed under the Income Tax Act, 1961 on a proportionate basis	1,035	41
Expected credit loss	963	452
Temporary differences between book and tax balance of property, plant and equipment	24	34
	3,026	**1,525**
Net deferred tax assets	**3,013**	**1,524**

The Group offsets tax assets and liabilities only if it has a legally enforceable right to set off current tax assets and current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

(a) Movement in deferred tax assets and deferred tax liabilities from 01 April 2025 to 31 March 2026

Particulars	Opening balance as at 01 April 2025	(Charged) / credited to P&L	(Charged) / credited to OCI	(Charged) / credited to other equity	Closing balance as at 31 March 2026
Deferred tax liability arising on account of:					
Temporary differences between right of use assets and lease liability	1	6	-	-	7
Others (including unrealised gain on investments carried at FVTPL)	-	6	-	-	6
	1	**12**	**-**	**-**	**13**
Deferred tax asset arising on account of:					
Expense allowable on payment basis	998	29	(23)	-	1,004
Impact of items allowed under the Income Tax Act, 1961 on a proportionate basis	41	(9)	-	1,003	1,035
Expected credit loss	452	511	-	-	963
On timing difference between book depreciation and depreciation as per the Income-tax Act, 1961	34	(10)	-	-	24
	1,525	**521**	**(23)**	**1,003**	**3,026**
Deferred tax assets (net)	**1,524**	**509**	**(23)**	**1,003**	**3,013**

(b) Movement in deferred tax assets and deferred tax liabilities from 01 April 2024 to 31 March 2025

Particulars	Opening balance as at 01 April 2024	(Charged) / credited to P&L	(Charged) / credited to OCI	(Charged) / credited to other equity	Closing balance as at 31 March 2025
Deferred tax liability arising on account of:					
Temporary differences between right of use assets and lease liability	5	(4)	-	-	1
Others (including unrealised gain on investments carried at FVTPL)	0	0	-	-	0
	5	**(4)**	**-**	**-**	**1**
Deferred tax asset arising on account of:					
Expense allowable on payment basis	586	383	29	-	998
Impact of items allowed under the Income Tax Act, 1961 on a proportionate basis	-	15	-	26	41
Expected credit loss	275	177	-	-	452
On timing difference between book depreciation and depreciation as per the Income-tax Act, 1961	20	14	-	-	34
	881	**589**	**29**	**26**	**1,525**
Deferred tax assets (net)	**876**	**593**	**29**	**26**	**1,524**

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Note 11: Non-current tax assets (net)

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Advance income tax (net) (Refer note 36)	114	185
	114	**185**

Note: The above amounts are net off provisions - 31 March 2026: INR 8,612 lakhs and 31 March 2025: INR 4,493 lakhs.

Note 12: Other assets

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Non - current:		
Prepaid expenses	250	314
Balances with government authorities (net)^	984	876
	1,234	**1,190**
Current:		
Advances to employees (Unsecured, considered good)	366	356
Prepaid expenses	691	464
Share issue expenses*	-	438
Advances to suppliers and sub-contractors (Unsecured, considered good) (Refer note 42)	3,659	1,193
Balances with government authorities (net)	4,252	2,529
	8,968	**4,980**

^ Represents amount paid under protest towards disputed demands of indirect taxes.

* Pertains to expenses incurred by the Holding Company towards Initial Public Offering (IPO) of the equity shares of the Holding Company carried forward to the extent of Holding Company's share, which has been adjusted with securities premium at the time of issue of shares in the current year in accordance with the requirement of Section 52 of the Act.

Note 13: Inventories (valued at lower of cost and net realisable value)

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Construction materials	7,701	5,804
Stores and spare parts	291	190
	7,992	**5,994**

Note: Inventories provided/written off during the year ended 31 March 2026: INR 93 lakhs and 31 March 2025: INR 87 lakhs. These amounts are recognised as an expense in the consolidated statement of profit and loss.

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Note 14: Trade receivables

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Non-Current		
Unsecured:		
Disputed:		
- Others (Refer note 14.1)	2,926	2,929
Credit impaired	3	-
	2,929	2,929
Less: Expected credit loss allowance (Refer note 14.2)	(3)	-
Total Non-Current Trade receivables	**2,926**	**2,929**
Current		
Unsecured:		
Considered good:		
- Receivable from related party (Refer note 42)	148	148
- Others	1,01,159	60,355
Credit impaired	3,403	1,745
	1,04,710	62,248
Less: Expected credit loss allowance (Refer note 14.2)	(3,403)	(1,745)
Total Current Trade Receivables	**1,01,307**	**60,503**
Sub-classification of trade receivables (Non-current and Current)		
Considered good - secured	-	-
Considered good - unsecured	1,04,233	63,432
Significant increase in credit risk	-	-
Credit impaired	3,406	1,745
Less: Expected credit loss allowance	(3,406)	(1,745)
	1,04,233	**63,432**

Notes:

(a) Trade receivables includes an amount of INR 148 lakhs (31 March 2025 : INR 148 lakhs) from an entity in which one of the directors of the Holding Company is a partner.

(b) Trade receivables (current) includes retention money amounting to INR 20,488 lakhs (31 March 2025 : INR 16,545 lakhs).

Note 14.1: Non-current trade receivables as at 31 March 2026 includes amount from a customer amounting to INR 2,929 lakhs (31 March 2025 : INR 2,929 lakhs). The said customer invoked the performance and advance guarantee and short closed the project in the month of April 2023. The Holding Company has filed a claim for recovery of dues from the customer in the commercial court Jaipur and the matter is currently pending for disposal. The next date of hearing is scheduled for 29 June 2026. Management, based on the contractual tenability of their claim and legal opinion obtained, is confident of recovering such amount and hence the same is considered good for recovery as at the reporting date, and also no liability is likely to arise for the Group on the aforesaid matter and accordingly, no adjustments have been made to the consolidated financial statements in this respect.

Note 14.2: Movement in expected credit loss allowance :

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Non-Current		
Balance at the beginning of the year	-	-
Add: Allowance made during the year	3	-
Less: Reversal of allowance/ amounts written back	-	-
Balance at the end of the year	**3**	**-**
Current		
Balance at the beginning of the year	1,745	1,090
Add: Allowance made during the year	1,658	655
Less: Reversal of allowance/ amounts written back	-	-
Balance at the end of the year	**3,403**	**1,745**

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Trade receivables ageing (excluding expected credit loss allowance) - Non Current
As at 31 March 2026

Particulars	Not Due	Outstanding for following years from 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	-	-	-	-	-	-	-
(ii) Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
(iii) Disputed trade receivables - considered good	-	-	-	-	-	2,926	2,926
(iv) Disputed trade receivables - credit impaired	-	-	-	-	-	3	3
Total	-	-	-	-	-	2,929	2,929

Trade receivables ageing (excluding expected credit loss allowance) - Current
As at 31 March 2026

Particulars	Not Due	Outstanding for following years from 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	75,526	17,433	5,187	2,622	100	219	1,01,087
(ii) Undisputed trade receivables - credit impaired	78	248	505	706	654	894	3,085
(iii) Disputed trade receivables - considered good	-	-	-	148	-	72	220
(iv) Disputed trade receivables - credit impaired	-	-	-	48	-	270	318
Total	75,604	17,681	5,692	3,524	754	1,455	1,04,710

Trade receivables ageing (excluding expected credit loss allowance) - Non Current
As at 31 March 2025

Particulars	Not Due	Outstanding for following years from 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	-	-	-	-	-	-	-
(ii) Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
(iii) Disputed trade receivables - considered good	-	-	-	-	2,929	-	2,929
(iv) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	-	-	-	-	2,929	-	2,929

Trade receivables ageing (excluding expected credit loss allowance) - Current
As at 31 March 2025

Particulars	Not Due	Outstanding for following years from 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	50,484	6,564	2,228	684	346	197	60,503
(ii) Undisputed trade receivables - credit impaired	51	131	203	228	346	786	1,745
(iii) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(iv) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	50,535	6,695	2,431	912	692	983	62,248

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Note 15: Cash and cash equivalents

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Balances with banks in current accounts	2,795	51
In deposits account with original maturity of less than 3 months	503	191
Cash on hand	29	8
	3,327	**250**

Note: There are no repatriation restriction with regard to above cash and cash equivalents as at the end of respective reporting years.

Note 16: Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
In Bank Deposits with remaining maturity less than 12 months*	18,646	6,457
	18,646	**6,457**

Fixed deposits (current and non-current) held as margin money or security against borrowings and other commitments.	19,757	8,088

* including those with original maturity of more than twelve months but remaining maturity of less than twelve months.

Refer note 48A for information on credit risk of bank deposits.

Note 17: Contract assets (unbilled work in progress)

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Unsecured, considered good		
Contract assets (unbilled work in progress)	86,813	46,684
Less: Loss allowance	(419)	(47)
	86,394	**46,637**

The contract assets represents amounts receivable from customers, primarily relate to the Company's rights to consideration for work executed. The contract assets are transferred to trade receivables when the rights to collection becomes unconditional due to passage of time.

Note 17.1: Refer note 50 for additional details in relation to contract assets.

Note 17.2 Movement in loss allowance on contract assets:

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Balance at the beginning of the year	**47**	-
Add: Allowance made during the year	372	47
Less: Reversal of allowance/ amounts written back	-	-
Balance at the end of the year	**419**	**47**

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Note 18: Equity share capital

(a) (i) Authorised share capital:

Particulars	As at 31 March 2026		As at 31 March 2025 [Refer note 1(b)]	
	Number of shares	Amount	Number of shares	Amount
Ordinary shares of INR 1 each	30,00,00,000	3,000	30,00,00,000	3,000

(a) (ii) Issued, subscribed and fully paid-up:

Particulars	As at 31 March 2026		As at 31 March 2025 [Refer note 1(b)]	
	Number of shares	Amount	Number of shares	Amount
Ordinary shares of INR 1 each	25,79,11,026	2,579	18,35,81,130	1,836

(b) Reconciliation of equity shares at the beginning and at the end of the reporting period:

Particulars	Number of shares	Amount
Issued, subscribed and fully paid-up ordinary shares of INR 1 each		
Current reporting period		
Balance as at 1 April 2025	**18,35,81,130**	**1,836**
Shares issued during the year (refer note (k) below)	7,43,29,896	743
Balance as at 31 March 2026	**25,79,11,026**	**2,579**
Previous reporting period		
Balance as at 1 April 2024 [Refer note 1(b)]	**3,32,029**	**33**
Shares issued during the year for consideration in cash	27,634	3
Issue of shares on account of sub-division of shares (refer note (h) below)	32,36,967	-
Reduction of existing shares of the Holding Company as per the scheme of amalgamation (refer note (i) below)	(28,93,780)	(29)
Issue of new equity shares of the Holding Company to the shareholders as per the scheme of amalgamation (refer note (i) below)	28,96,780	29
Issue of bonus shares (refer note [f(ii)] below)	17,99,81,500	1,800
Balance as at 31 March 2025 [Refer note 1(b)]	**18,35,81,130**	**1,836**

Terms and rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of INR 1 per share as on 31 March 2026. Each holder of equity shares is entitled to one vote per share. The equity shareholders are entitled to dividend to be proposed by the Board of Directors and to be approved by the shareholders in the general meeting, except interim dividend, if any. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company. The distribution will be in proportion to the number of fully paid-up equity shares held by the shareholders.

(c) Details of equity shares held by each shareholder holding more than 5% shares in the Holding Company

Name of shareholder	As at 31 March 2026		As at 31 March 2025 [Refer note 1(b)]	
	Number (Face value of INR 1 each)	% of holding	Number (Face value of INR 1 each)	% of holding
Equity shares of INR 1 each				
Rakesh Markhedkar	10,33,18,499	40.06%	10,83,57,150	59.02%
Kanchan Markhedkar	1,32,96,210	5.16%	1,32,96,210	7.24%
Nakul Markhedkar	1,33,10,210	5.16%	1,32,96,210	7.24%
Vipul Markhedkar	1,33,10,210	5.16%	1,32,96,210	7.24%
India Inflection Opportunity Trust – India Inflection Opportunity Fund	-	-	1,06,87,050	5.82%

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

(d) Details of equity shares held by promoters of the Holding Company

Particulars	As at 31 March 2026		As at 31 March 2025 [Refer note 1(b)]	
	Number of shares (Face value of INR 1 each)	% of holding	Number of shares (Face value of INR 1 each)	% of holding
Rakesh Markhedkar (refer note (i) below)	10,33,18,499	40.06%	10,83,57,150	59.02%
Avinash Markhedkar*	300	0.00%	-	-
Nakul Markhedkar*	1,33,10,210	5.16%	1,32,96,210	7.24%

* During the previous year ended 31 March 2025, the Board of Directors of the Holding Company in their meeting held on 24 September 2024 designated Mr. Avinash Markhedkar and Mr. Nakul Markhedkar as additional promoters of the Company. Also refer note (i) below.

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(e) % change in promoters shareholding

Particulars	% change during the year ended 31 March 2026 [$]	% change during the year ended 31 March 2025^ [Refer note 1(b)]
Rakesh Markhedkar	-32.13%	58.72%
Avinash Markhedkar	100.00%	-
Nakul Markhedkar	-28.75%	-
Deb Suppliers & Traders Private Limited	-	-43.66%
Farista Financial Consultants Private Limited	-	-43.50%

[$] Reasons for change in promoter shareholding during the year ended 31 March 2026:
Rakesh Markhedkar - 5,257,731 equity shares were sold during the Initial Public Offer of the Holding Company. Further, 219,080 equity shares were purchased through open market transaction.
Avinash Markhedkar - Equity shares purchased through open market transaction.
Nakul Markhedkar - The % holding has reduced due to additional shares issued during the year whereas in absolute terms, count of shares held has increased as equity shares were purchased through open market transaction.
^ Refer note (i) below for reasons of change in promoter shareholding during the year ended 31 March 2025.

(f) Bonus shares / buy back / shares for consideration other than cash issued during past five years by the Holding Company:

(i) Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash:

For the year ended 31 March 2026 : Nil
For the year ended 31 March 2025 : The Holding Company has allotted 3,000 equity shares pursuant to approval of scheme of amalgamation of the Holding Company with it's erstwhile promoters. Also refer note 55.
For the year ended 31 March 2024 : 3,700 shares allotted to Vikran Global Infraproject Private Limited upon conversion of loan into equity shares during the year ended 31 March 2024.

(ii) Aggregate number and class of shares allotted as fully paid up by way of bonus shares -

For the year ended 31 March 2026 : Nil
For the year ended 31 March 2025 : The Company, in its annual general meeting dated 26 August 2024 approved the issuance of bonus shares to the equity shareholders in the ratio of 50 equity shares for each share held. The record date for the said purpose was fixed as 23 August 2024.

(iii) Aggregate number and class of shares bought back - Nil

(g) The Holding Company made private placement of equity shares during the year ended 31 March 2025. The Holding Company complied with the applicable requirements of section 42 and section 62 of the Act and the rules framed thereunder with respect to the same. Further, the amounts so raised was utilised by the Holding Company for the purposes for which these funds were raised.

(h) Pursuant to a resolution passed in extraordinary general meeting of the Holding Company dated 12 August 2024, shareholders approved sub-division of each equity share having face value of INR 10 each into equity shares of face value of INR 1 each.

(i) During the previous year, pursuant to approval by National Company Law Tribunal (NCLT) of the scheme of amalgamation of the Holding Company with Farista Financial Consultants Private Limited and Deb suppliers and Traders Private Limited (collectively referred to as 'erstwhile promoters'), these erstwhile promoters have been amalgamated with the Holding Company and the shares held by these two entities were reduced from the share capital of the Holding Company and in-turn new shares of the Holding Company were issued to the shareholders of erstwhile promoters which included Mr. Rakesh Markhedkar. Also refer note 55.

(j) During the previous year, the Holding Company increased the authorised share capital from 5,000,000 equity shares to 300,000,000 equity shares of INR 1 each, which was approved by the shareholders in the extraordinary general meeting held on 12 August 2024.

(k) During the year ended 31 March 2026, the Holding Company completed its Initial Public Offering ('IPO') of 79,587,627 equity shares of face value of INR 1 each at an issue price of INR 97 per equity share (including a share premium of INR 96 per equity share) comprising of fresh issue of 74,329,896 equity shares and an offer for sale of 5,257,731 equity shares by the promoter selling shareholder. The equity shares of the Holding Company got listed on the National Stock Exchange of India Limited and BSE Limited on 03 September 2025.

The Holding Company received net proceeds of INR 67,097 lakhs on account of fresh issue of equity shares (gross proceeds of INR 72,100 lakhs reduced by estimated offer related expenses of INR 5,003 lakhs). The utilisation of the net IPO proceeds is summarised below:

Object of the issue as per prospectus	Net proceeds to be utilised as per prospectus	Utilisation up to 31 March 2026	Unutilised amount as on 31 March 2026
Funding working capital requirements	54,100	54,100	-
Meet expenditure for general corporate purposes	12,997	12,997	-
Total	67,097	67,097	-

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Note 19: Other equity

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Securities premium	86,168	18,811
Retained earnings	34,990	25,640
Debenture redemption reserve	-	500
Total	**1,21,158**	**44,951**

(i) Securities premium

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Balance at the beginning of the year	18,811	10,314
Securities premium on shares issued during the year	-	10,401
Securities premium on shares issued during the year through IPO [refer note 18(k)]	71,357	-
Issue of bonus shares during the year	-	(1,800)
Expenses directly attributable to issue of equity shares	(5,003)	(130)
Tax impact on expenses directly attributable to issue of equity shares	1,003	26
Balance at the end of the year	**86,168**	**18,811**

(ii) Retained earnings

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Balance at the beginning of the year	25,640	18,782
Profit for the year	9,170	7,781
Dividend paid during the year (Refer note 45)	(389)	(378)
Items of other comprehensive income/(loss) recognised in retained earnings (net of tax)	69	(87)
Adjustment on account of scheme of amalgamation (Refer note 55)	-	42
Transferred from/(to) Debenture Redemption Reserve	500	(500)
Balance at the end of the year	**34,990**	**25,640**

(iii) Debenture Redemption Reserve

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Balance at the beginning of the year	500	-
Transferred from/(to) retained earnings	(500)	500
Balance at the end of the year	**-**	**500**

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Note 20: Borrowings

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Non-current - at amortised cost		
Secured		
Term loans		
- from banks	573	990
- from financial institution	4,883	-
Less: Current maturities of long-term borrowings	(945)	(418)
	4,511	**572**
Vehicle loans		
- from banks	94	116
Less: Current maturities of long-term borrowings	(21)	(22)
	73	**94**
Non-convertible debentures (NCD)		
100 units (31 March 2025: 100 units) of redeemable NCD's of face value of INR 50,00,000 each	5,030	5,000
Less: Current maturities of long-term borrowings	(5,030)	(2,500)
	-	**2,500**
Unsecured		
Working capital loans		
- from banks	-	26
- from financial institution	25	67
Less: Current maturities of long-term borrowings	(25)	(67)
	-	**26**
	4,584	**3,192**
Current - at amortised cost		
Secured		
Current maturities of long-term borrowings	5,996	2,940
Cash credit facilities	5,864	13,015
Working capital loans:		
- from banks	10,240	-
- from financial institution	1,094	2,750
Supplier bills discounted		
- from financial institution	-	4,742
	23,194	**23,447**
Unsecured		
Current maturities of long-term borrowings	25	67
Working capital loans:		
- from financial institution	-	575
Supplier bills discounted		
- from financial institution	1,424	13
	1,449	**655**
	24,643	**24,102**

a) Nature, security and terms of repayment of borrowings :
(all the borrowings are availed by the Holding Company)

Borrowing type	Particulars and nature of security	Terms of repayment and interest rate
1.(i) Term loan from banks:	Term loan from banks having balance outstanding amounting to INR 573 lakhs (31 March 2025 : INR 990 lakhs) and are primarily secured by way of first pari-passu charge on the entire current assets of the Holding Company including inventories, receivables and all other current assets both present as well as future. The loan is also secured by certain office premises, land, fixed deposits and mutual funds investments of the Group. The loan is also secured by way of personal guarantee by Mr. Rakesh Markhedkar (Chairman and Managing director), Mr. Avinash Markhedkar (Whole Time Director), Mrs. Kanchan Markhedkar (relative of a Director), Mr. Nakul Markhedkar (Whole Time Director) and Mr. Vipul Markhedkar (Relative of a Director).	Loan is repayable in 60 to 72 equal monthly instalments along with interest, upto FY 2027-28 and carries variable interest rate ranging from 9.00% p.a. to 9.25% p.a. (31 March 2025: 7.95% to 9.60% p.a.) and is linked to MCLR with agreed interest rate reset clause.
1.(ii) Term loan from financial institution:	Term loan from financial institution amounting to INR 4,883 lakhs (31 March 2025 : Nil) is secured with a subservient and continuing charge by way of hypothecation on all present and future movable fixed assets and current assets with further securitisation by a cash collateral lien of 1,200 lakhs marked in favour of the lender. Further the loan is also secured by pledge of entire unencumbered shares of NOPL Solar Projects Private Limited and first ranking pari passu charge by the way of hypothecation over the escrow account in which all proceeds / cashflows from NOPL Solar Projects Private Limited to the Group. The loan is also secured by way of personal guarantee by Mr. Rakesh Markhedkar (Chairman and Managing director) and Mr. Nakul Markhedkar (Whole Time Director).	The loan carries fixed interest rate 11.50% p.a. subordinated to working capital loan consortium only and is repayable over 42 months upto FY 2030-31.

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Borrowing type	Particulars and nature of security	Terms of repayment and interest rate
2(i). Vehicle loan from banks	Vehicle loan from banks amounting to INR 94 lakhs (31 March 2025 : INR 114 lakhs) is secured by hypothecation of financed vehicles. The vehicles financed through such borrowing are forming part of the property, plant and equipment.	The loan carries fixed interest rate of 10.50% p.a. and is repayable in 60 monthly instalments along with interest upto FY 2029-30.
2(ii). Vehicle loan from banks	Vehicle loan from banks amounting to Nil (31 March 2025 : INR 2 lakhs) is secured by hypothecation of financed vehicles. The vehicles financed through such borrowing are forming part of the property, plant and equipment.	The loan carries variable interest rate of 10.45% p.a. (31 March 2025: 10.45% p.a.) linked to Repo Linked Loan Rate (RLLR) with agreed interest rate reset clause and has been fully repaid in the current year.
3. Cash credit facilities	Cash credit facilities amounting to INR 5,864 lakhs (31 March 2025 : INR 13,015 lakhs) are primarily secured by way of hypothecation on the entire current assets of the Holding Company. These are also secured by way of personal guarantee by Mr. Rakesh Markhedkar (Chairman and Managing director), Mr. Avinash Markhedkar (Whole Time Director), Mrs. Kanchan Markhedkar (relative of a Director), Mr. Nakul Markhedkar (Whole Time Director) and Mr. Vipul Markhedkar (Relative of a Director). The above mentioned personnel have also given certain personal immovable properties as security.	The facilities are repayable on demand carrying variable interest rate ranging from 10.00% p.a. to 13.00% p.a. (31 March 2025: 9.25% to 12.77% p.a.) linked to MCLR.
4. Working capital loan from financial institutions (unsecured) (current and non current)	Working capital loans from financial institutions with balance outstanding amounting to INR 25 lakhs (31 March 2025: INR 642 lakhs).	Working capital loans from financial institutions carries fixed interest rate of 18.50% p.a. (31 March 2025 : 9.00% p.a. to 34.00% p.a) and is repayable in next 12 months (31 March 2025 : 10 to 24 months) monthly instalments along with interest.
5. Working capital loan from financial institution (secured, current)	Working capital loan amounting to INR 1,094 lakhs (31 March 2025 : INR 2,750 lakhs). These are primarily secured by way of (i) NACH Mandate and 3 undated cheques equivalent to sanctioned amount and (ii) Cash collateral to the extent of 15.83% p.a - 20.00% p.a (31 March 2025 : 15.00% p.a - 25.00% p.a) of sanctioned amount as non-interest bearing security deposit. The loan is also secured by way of personal guarantee by Mr. Rakesh Markhedkar (Chairman and Managing director), Mrs. Kanchan Markhedkar (relative of a Director) and Mr. Nakul Markhedkar (Whole time director).	Such loans carry variable interest rates of 10.00% p.a - 10.25% p.a. (31 March 2025 : 10.00% p.a - 10.95% p.a) and are repayable in 4 quarterly instalments up to FY 2026-27.
6. Working capital loan from banks (secured)	Working capital loans from banks amount to INR 10,240 lakhs (31 March 2025: Nil) are primarily secured by way of first pari-passu charge on the entire current assets of the Holding Company including inventories, receivables and all other current assets both present as well as future. The loan is also secured by certain office premises, land, fixed deposits and mutual funds investments of the Holding Company. Further, it is also secured by way of personal guarantee by Mr. Rakesh Markhedkar (Chairman and Managing director), Mr. Avinash Markhedkar (Whole Time Director), Mrs. Kanchan Markhedkar (relative of a Director), Mr. Nakul Markhedkar (Whole Time Director) and Mr. Vipul Markhedkar (Relative of a Director). The above mentioned personnel have also given certain personal immovable properties as security.	Such loans carry fixed interest rate ranging from 10.15% p.a. to 12.20% p.a. and is repayable within 90 days along with interest.
7. Working capital loan from banks (unsecured)	Working capital loan from bank with balance outstanding amounting to Nil (31 March 2025: 26 lakhs)	Working capital loans from banks carries fixed interest rate ranging from 14.00% p.a. to 17.50% p.a. and has been fully repaid in the current year.
8. Non-convertible debentures (NCD)	Redeemable non-convertible debentures consists of: a. Two tranches of 20 and 30 units each amounting to INR 1,000 lakhs and INR 1,500 lakhs, respectively, of redeemable non-convertible debentures of face value of INR 50 lakhs each raised on a private placement basis. These debentures have been issued for fulfilling the working capital requirements of the Holding Company and other general corporate purposes. Such debentures are secured by way of: (i) Residual/subservient charge on current assets and moveable fixed assets of the Company. (ii) unconditional and irrevocable personal guarantee of Mr. Rakesh Markhedkar (Chairman and Managing director). (iii) Demand promissory notes. (iv) Lien letter. b. One tranche of 50 units amounting to 2,500 lakhs of redeemable non-convertible debentures of face value of INR 50 lakhs each raised on a private placement basis. These debentures have been issued for fulfilling the working capital requirements of the Company and other general corporate purposes. Such debentures are secured by way of residual charge on current assets and moveable fixed assets of the Holding Company.	a. Carries fixed interest rate of 12.00% p.a and are redeemable at par on maturity in July 2026. b. Carries fixed interest rate of 12.00% p.a and are redeemable at par on maturity in April 2026.
9.(i) Supplier bills discounted (Secured SCF)	Such arrangement by financial institutions are secured by way of bank guarantees provided and certain fixed deposits of the Holding Company.	Such arrangement carries interest rate ranging from 12.50% p.a. to 13.75% p.a. These were fully repaid during the current year.
9. (ii) Supplier bills discounted (Unsecured SCF)	Unsecured supplier bills discounted by financial institutions amounting to INR 1,424 lakhs (31 March 2025: INR 13 lakhs).	Unsecured SCF carries interest rate of 11.00% p.a. to 13.00% p.a. (31 March 2025 : 11.25% p.a.) and is repayable within 6 months to 12 months.
9. Loans from related parties	The Holding Company availed unsecured loans from certain related parties in the current year and previous year which were fully repaid in the respective year of availment itself.	The same carried fixed interest rate of 18.00% p.a. and were repayable on demand.

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b) (i) The quarterly returns/statements of current assets filed by the Holding Company with bank is in agreement with the books of account for the quarters of the year ended 31 March 2026 except for following instances:

Name of the bank	Nature of current assets held as security	Quarter ended	Particulars of securities provided	Amount disclosed as per return	Amount as per books of account	Differences *
Consortium of banks	All the current assets of the Holding Company	June 2025	Inventories	6,882	6,824	58
			Trade receivables (including contract assets net of contract liabilities)	1,06,730	1,11,665	(4,935)
		September 2025	Inventories	6,486	6,408	78
			Trade receivables (including contract assets net of contract liabilities)	1,17,622	1,17,114	508
		December 2025	Inventories	7,566	7,700	(134)
			Trade receivables (including contract assets net of contract liabilities)	1,35,789	1,36,253	(464)
		March 2026	Inventories	8,004	7,992	12
			Trade receivables (including contract assets net of contract liabilities)	1,88,937	1,90,612	(1,675)

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(All amounts in INR lakhs, unless otherwise stated)

b) (ii) The quarterly returns/statements of current assets filed by the Holding Company with bank is in agreement with the books of account for the quarters of the year ended 31 March 2025 except for following instances:

Name of the bank	Nature of current assets held as security	Quarter ended	Particulars of securities provided	Amount disclosed as per return	Amount as per books of account	Differences*
Consortium of banks	All the current assets of the Holding Company	June 2024	Inventories	5,348	5,520	(172)
			Trade receivables	65,502	65,473	29
		September 2024	Inventories	6,450	6,449	1
		December 2024	Inventories	6,211	6,033	178
			Trade receivables	78,943	83,586	(4,643)
		March 2025	Inventories	4,678	5,994	(1,316)
			Trade receivables	1,05,591	1,07,461	(1,870)

*The differences are due to submissions being by the Holding Company on the basis of provisional financial information.

c) The Group has utilised the borrowings for the specific purpose for which it was obtained.

d) The Group has not been declared wilful defaulter by any bank or financial institution or lender during the reporting period and Group is also in compliance with applicable financial covenants wherever prescribed in the terms and conditions of borrowings.

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e) Reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities as required by Ind AS 7 "Statement of Cash Flows" is as under:

Particulars	As at 01 April 2025	Cash inflows	Cash outflows	Non-cash changes		As at 31 March 2026
				Interest accrued	Other changes	
Equity share capital	1,836	743	-	-	-	2,579
Securities premium (Refer note (ii) below)	18,811	66,354	-	-	1,003	86,168
Long-term borrowings (including current maturities) (Refer note (iv) below)	6,199	5,000	(624)	30	-	10,605
Lease liabilities (Refer note (iii) below)	152	-	(157)	59	809	863
Short-term borrowings	21,095	30,458	(32,932)	-	1	18,622

Particulars	As at 01 April 2024	Cash inflows	Cash outflows	Non-cash changes		As at 31 March 2025 [Refer note 1(b)]
				Interest accrued	Other changes	
Equity share capital (Refer note (i) below)	33	3	-	-	1,800	1,836
Securities premium (Refer note (ii) below)	10,314	10,271	-	-	(1,774)	18,811
Long-term borrowings (including current maturities)	1,987	5,120	(908)	-	-	6,199
Lease liabilities (Refer note (iii) below)	74	-	(88)	11	155	152
Short-term borrowings	16,352	6,577	(1,834)	-	-	21,095

Notes :
(i) Other changes in equity share capital is on account of equity shares issued for consideration other than cash and on account of bonus shares issued during the relevant year.
(ii) Other changes in securities premium during the year ended 31 March 2026 is on account of tax impact of expenses directly attributable to issue of equity shares and during the year ended 31 March 2025 is on account of bonus shares issued during that year and tax impact on expenses directly attributable to issue of equity shares.
(iii) Other changes in lease liabilities is on account of lease liabilities recognised in accordance with Ind AS 116 in the respective years including other adjustments thereon in lease liabilities.
(iv) Other changes in borrowings is account of amortisation of ancillary borrowing cost.

f) The Group has not defaulted in repayment of loans or other borrowings to any lender or in the payment of interest thereon.

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Note 21: Lease liabilities

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Non-current		
Lease liabilities (Refer note 39)	686	80
	686	**80**
Current		
Lease liabilities (Refer note 39)	177	72
	177	**72**

Note 22: Trade payables

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Dues to :		
- Micro enterprises and small enterprises (MSE)	5,489	9,181
- Trade payables other than MSE	73,353	38,581
Total	**78,842**	**47,762**

(a) Trade payables are generally non-interest bearing and are settled within normal operating cycle of the Group.
(b) Trade payables includes retention money amounting to INR 8,995 lakhs and INR 7,240 lakhs as at 31 March 2026 and 31 March 2025, respectively. These are payable on completion of a milestone, completion of the contract or after a specified period from completion of the work.

Trade payable ageing:
As at 31 March 2026

Particulars	Not Due*	Outstanding for following years from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - MSE	3,379	715	321	5	-	4,420
(ii) Undisputed dues - Others	63,288	8,006	732	892	435	73,353
(iii) Disputed dues - MSE	502	-	567	-	-	1,069
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**67,169**	**8,721**	**1,620**	**897**	**435**	**78,842**

* Includes unbilled trade payables amounting to INR 31,264 lakhs.

As at 31 March 2025

Particulars	Not Due*	Outstanding for following years from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - MSE	6,073	2,038	1	-	-	8,112
(ii) Undisputed dues - Others	33,385	4,822	34	223	117	38,581
(iii) Disputed dues - MSE	502	567	-	-	-	1,069
(iv) Disputed dues - Others	-	-		-	-	-
Total	**39,960**	**7,427**	**35**	**223**	**117**	**47,762**

* Includes unbilled trade payables amounting to INR 7,628 lakhs.

Supplier Finance Arrangement:

The Group enters into supplier finance arrangements with finance providers to facilitate the early payment of dues on its behalf to some of the Group's vendors who may elect to factor their invoice through such banks/ financial institutions. The finance providers pay the amounts to a participating vendor in respect of invoices owed by the Group and receive settlement from the Group at a later date. Payment dates and terms for the Company do not vary based on whether the supplier chooses to factor their receivable. The economic substance of the transaction is determined to be in nature of operating activity where the original contract with the vendors does not get substantially modified on entering into arrangement. These arrangement continue to hold characteristics of trade payables and are disclosed as such.

Disclosures of the supplier finance arrangement are as follows:

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Carrying amount of liabilities under supplier finance		
Presented within trade payables	22,060	14,469
- Of which suppliers have received payment from the finance provider	22,060	*
Range of payment due dates		
Liabilities that are part of the arrangement	0 - 180 days	*
Comparable trade payables that are not part of an arrangement	0 - 180 days	*

* The Group applied transitional relief available under Supplier Finance Arrangements (Amendments to Ind AS 7 and Ind AS 107) and has not provided comparative information in the first year of adoption.

Non-cash changes

There were no material business combinations or foreign exchange differences that affected the liabilities under the supplier finance arrangements in either period. Payments made by the finance providers to the vendors are treated as a non-cash item and settlement of dues to the finance provider by the Group under this arrangement is treated as operating cash outflows because they continue to be part of normal operating cycle and reflect the substance of the payment for purchase of goods and services.

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Note 23: Other current financial liabilities

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Employee related payables*	719	571
Unspent corporate social responsibility liability	47	-
Deposits from vendors/ sub-contractors**	-	1,119
Payable for capital goods	56	19
	822	1,709

* Refer note 42 for salary payable to related parties.
** Represents deposits taken from certain vendors/ sub-contractors of the Group towards performance of the contract. The same are interest free and are refundable to the vendors/ sub-contractor as per the schedule mentioned in the contract.

Note 24: Other current liabilities

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Contract liabilities (Refer note 50)	3,840	4,400
Advance from customers - revenue received in advance (Refer note 50)	8,574	2,335
Statutory dues payable	635	333
Total	13,049	7,068

Note: The contract liabilities represents advance from customers and advance billing to customers, primarily related to invoice raised on customers on achievement of milestones for which revenue is to be recognised over a period of time.

Note 25: Provisions

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Non-current		
Provision for warranty	12	46
Provision for gratuity (refer note 38)	372	313
	384	359
Current		
Provision for foreseeable losses	258	395
Provision for warranty	34	13
Provision for gratuity (refer note 38)	35	60
Provision for compensated absences (refer note 38)	345	270
	672	738

Note 25.1: Movement in provision for foreseeable losses

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Balance at the beginning of the year	395	798
Recognised during the year	81	89
Utilised/reversed during the year	(218)	(492)
Balance at the end of the year	258	395

In case of contracts, when it is probable that total contract costs will exceed total contract revenue, the expected loss (foreseeable loss) is recognised as an expense immediately in the consolidated statement of profit and loss.

Note 25.2 : Movement in provision for warranty (current and non current):

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Balance at the beginning of the year	59	78
Recognised during the year	0	2
Utilised/reversed during the year	(13)	(21)
Balance at the end of the year	46	59

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

Note 26: Current tax liabilities

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Income tax liabilities (net of advance taxes paid - INR 996 lakhs as at 31 March 2026 and INR 683 lakhs as at 31 March 2025) (Refer Note 36)	2,755	3,599
	2,755	3,599

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Note 27: Revenue from operations

Particulars	Year ended 31 March 2026	Year ended 31 March 2025 [Refer note 1(b)]
Sale of services:		
Income from engineering, procurement and construction (EPC) services*	1,24,794	91,182
Other operating revenue:		
Reversal of provision towards foreseeable losses on contracts (net)	137	403
	1,24,931	**91,585**

***Note:** Refer note 50 for additional details.

Note 28: Other income

Particulars	Year ended 31 March 2026	Year ended 31 March 2025 [Refer note 1(b)]
Interest income on:		
- on bank deposits	1,310	496
- on income tax refund	6	3
- on loans*	177	16
Other non operating income:		
Provisions/liabilities no longer required written back (net)	190	127
Gain on sale of property, plant and equipment (net)	-	0
Gain on mutual fund investments (on sale and fair value changes)	4	7
Miscellaneous income	9	2
	1,696	**651**

*Interest income includes INR 54 lakhs (31 March 2025: INR 16 lakhs) on loan given to related parties (Refer Note 42).
Note: Miscellaneous income above include gain on disposal of lease liabilities amounting to INR 3 lakhs (31 March 2025: Nil)

Note 29: Cost of materials consumed (including stores and spares)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025 [Refer note 1(b)]
Cost of materials consumed (Refer note 13)	48,275	48,368
Total	**48,275**	**48,368**
Reconciliation of cost of materials consumed :		
Opening stock	5,994	4,986
Opening stock in transit	-	87
Add: Purchases during the year (net)	50,273	49,289
Less: closing stock	7,992	5,994
	48,275	**48,368**

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Note 30: Project related expense

Particulars	Year ended 31 March 2026	Year ended 31 March 2025 [Refer note 1(b)]
Sub-contracting charges	41,042	14,355
Technical consultancy charges	1,128	629
Plant and machinery hire charges (Refer note 39)	220	238
Transportation charges	430	280
Loading and unloading charges	481	392
Warranty expenses	0	2
Other project related expense	240	146
	43,541	**16,042**

Note 31: Employee benefits expense

Particulars	Year ended 31 March 2026	Year ended 31 March 2025 [Refer note 1(b)]
Salaries and bonus (including directors' remuneration)	7,616	6,027
Contribution to provident and other funds (Refer note 38)	310	263
Staff welfare expenses	270	313
Gratuity expense (Refer note 38)	109	101
Compensated absences expense (Refer note 38)	78	59
	8,383	**6,763**

Note 32: Finance costs

Particulars	Year ended 31 March 2026	Year ended 31 March 2025 [Refer note 1(b)]
Interest expense on:		
- borrowings carried at amortised cost	4,426	3,448
- non-convertible debentures	836	196
- delayed payment of statutory dues and shortfall in payment of advance income tax	318	390
- lease liabilities (Refer note 39)	59	11
- delayed payment to micro and small enterprises vendors	143	256
Other borrowing costs*	862	1,057
	6,644	**5,358**

* primarily includes loan processing charges, stamp duty, bank guarantee, letter of credit charges and other charges.

Note 33: Depreciation and amortisation expense

Particulars	Year ended 31 March 2026	Year ended 31 March 2025 [Refer note 1(b)]
Depreciation on property, plant and equipment (Refer note 4A)	173	210
Depreciation on right of use assets (Refer note 6)	164	77
Amortisation on intangible assets (Refer note 5)	4	10
	341	**297**

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Note 34: Other expenses

Particulars	Year ended 31 March 2026	Year ended 31 March 2025 [Refer note 1(b)]
Electricity expense	66	64
Rent expense (Refer note 39)*	465	402
Repairs and maintenance - buildings	6	5
Repairs and maintenance - others	301	199
Security charges	478	344
Insurance	337	247
Rates and taxes	600	547
Vehicle hire charges (Refer note 39)*	453	364
Travelling and conveyance	432	388
Communication	15	28
Consulting and professional fees	871	481
Site expenses	129	102
Donation	1	1
Printing and stationary	69	58
Loss on disposal of property plant and equipment (net)	0	0
Bank charges	349	158
Business promotion expenses	257	56
Corporate social responsibility expenses	185	119
Allowance for expected credit loss (Refer note 14.2)	1,661	655
Loss allowance on contract assets (Refer note 17.2)	372	47
Miscellaneous expenses	172	123
	7,219	**4,389**

* Pertains to rentals and hire charges for short term leases and expenses incurred on non-lease components.

Note 35: Exceptional items

Particulars	Year ended 31 March 2026	Year ended 31 March 2025 [Refer note 1(b)]
Impact of new labour codes [refer note 38(2)(iii)]	121	-
	121	**-**

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Note 36: Current tax and deferred tax

(a) Income tax and deferred tax expense through the consolidated statement of profit and loss

Particulars	Year ended 31 March 2026	Year ended 31 March 2025 [Refer note 1(b)]
Current tax:		
Current tax on profits for the year	3,442	3,753
Adjustments for tax of prior years	-	78
	3,442	**3,831**
Deferred tax credit:		
In respect of current year origination and reversal of temporary differences	(509)	(593)
Total	**2,933**	**3,238**

(b) Income tax on other comprehensive income

Particulars	Year ended 31 March 2026	Year ended 31 March 2025 [Refer note 1(b)]
Deferred tax credit / (expense)	(23)	29
Total	**(23)**	**29**

(c) Movement of income tax assets / (liabilities) - net

Particulars	Year ended 31 March 2026	Year ended 31 March 2025 [Refer note 1(b)]
Opening balance (net)	(3,414)	(1,403)
Tax assets acquired pursuant to scheme of amalgamation (Refer note 55)	-	(28)
Income tax refund received during the year	-	(233)
Taxes paid during the year	4,544	2,467
Income tax charge during the year	(3,442)	(3,753)
Adjustment for tax of prior years	-	(78)
Interest on shortfall in payment of advance income taxes	(303)	(387)
Others (write off, etc.)	(26)	-
Closing balance	**(2,641)**	**(3,414)**
Non-current tax assets (net) (Refer note 11)	114	185
Current tax liabilities (Refer note 26)	2,755	3,599
Closing balance	**(2,641)**	**(3,414)**

(d) Reconciliation of tax expense and the accounting profit multiplied by India's applicable tax rate:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025 [Refer note 1(b)]
Accounting profit before income tax	12,103	11,019
Applicable income tax rate (in %)	25.17%	25.17%
Computed expected tax expense	3,046	2,773
Tax effect of amount which are not (taxable)/ deductible in calculating taxable income	396	981
Adjustments for tax of prior years	-	78
Deferred tax on origination/reversal of temporary differences	(509)	(593)
Tax expense reported in the consolidated statement of profit and loss	**2,933**	**3,238**

(e) The Finance Act, 2025 has enacted the Income-tax Act, 2025, which replaces the Income-tax Act, 1961 and is effective from 01 April 2026.

Note 37: Earnings per equity share

Particulars	Year ended 31 March 2026	Year ended 31 March 2025 [Refer note 1(b)]
Net profit attributable to equity shareholders for the year [a]	9,170	7,781
Weighted average number of equity shares for basic earnings per share [b]	22,63,46,276	3,50,439
Add: Effect of split of equity shares (Refer note (i) below)	-	31,53,953
Add: Effect of bonus shares issue (Refer note (ii) below)	-	17,52,19,618
Total weighted average number of equity shares for basic earnings per share [c]	22,63,46,276	17,87,24,010
Dilutive potential equity shares	-	-
Weighted average number of equity shares for diluted earnings per share [d]	22,63,46,276	17,87,24,010
Basic earnings per share (in INR) [a/c]	4.05	4.35
Diluted earnings per share (in INR) [a/d]	4.05	4.35
Face value per share (in INR)	1.00	1.00

Notes:

(i) Pursuant to a resolution passed in extraordinary general meeting of the Holding Company dated 12 August 2024, shareholders approved split of each equity share having face value of INR 10 each into equity shares of face value of INR 1 each (the "split").

(ii) The shareholders of the Holding Company, in its annual general meeting dated 26 August 2024, approved the issuance of bonus shares to the equity shareholders in the ratio of 50 equity shares for each share held as at record date fixed as 23 August 2024.

(iii) As required under Ind AS 33 - "Earnings Per Share", the effect of split and bonus is adjusted for the purpose of computing earnings per share retrospectively.

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Note 38: Employee benefits

1. Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, incentives and allowances, short terms compensated absences, etc., and the expected cost of bonus, ex-gratia are recognized in the year in which the employee renders the related services.

2. Long term employee benefits

(i) Defined benefit plan

(a) Gratuity (unfunded)

The Group provides for gratuity for employees in India as per the provisions of the Code on Social Security, 2020. Employees are eligible for gratuity upon completion of the contractual period of continuous service as defined under the Code on Social Security, 2020. The level of benefit provided depends on the members length of service and salary at the time of retirement/termination age. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The following tables summaries the components of net benefits expense recognized in the consolidated statement of profit and loss and other comprehensive income and the amount recognized in the consolidated balance sheet for the defined benefit plan.

	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Change in the present value of the defined benefit obligation:		
Opening defined benefit obligation	373	253
Interest cost	24	17
Current service cost	85	84
Past service cost [refer note 38(2)(iii)]	55	-
Benefits paid	(38)	(30)
Actuarial (gain)/ loss on obligation	(92)	49
Closing defined benefit obligation	**407**	**373**
Amount recognized in the consolidated balance sheet:		
Present value of defined benefit obligation at the end of the year	407	373
Net liability recognized in the consolidated balance sheet	**407**	**373**
Current	35	60
Non-current	372	313
Total	**407**	**373**

	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Expense recognized in the consolidated statement of profit and loss		
Current service cost	85	84
Interest cost	24	17
Past service cost (refer note 38(2)(iii))	55	-
Net expense recognized in the consolidated statement of profit and loss	**164**	**101**

	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Expense recognized in the consolidated other comprehensive income:		
Actuarial (gain)/ loss on defined benefit obligations	(92)	49
Net (income)/expense recognized in the consolidated total comprehensive income	**(92)**	**49**
Breakup of actuarial loss/ (gain)		
Due to change in financial assumptions	(196)	9
Due to experience adjustments	104	40
	(92)	**49**

Actuarial assumptions used

	Year ended 31 March 2026	Year ended 31 March 2025 [Refer note 1(b)]
Discount rate (% per annum)	7.48%	6.82%
Salary growth rate (% per annum)	6.00%	6.00%

Demographic assumptions used:

	Year ended 31 March 2026	Year ended 31 March 2025 [Refer note 1(b)]
Mortality rate	Indian Assured Lives Mortality (2012-14) Ultimate table	Indian Assured Lives Mortality (2012-14) Ultimate table
Retirement age (in years)	58	58
Average future service (in years)	14	19
Attrition rate (% per annum)	10.00%	2.00% to 10.00%

These assumptions were developed by the management with the assistance of independent actuarial appraisers using the projected unit credit method. Discount factors are determined by reference to government bonds that are denominated in the currency in which the benefits will be paid (i.e INR) and have terms to maturity approximating the terms of the obligation. Other assumptions are based on management's historical experience. The estimate of future salary increase considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Sensitivity analysis

The reported figures are sensitive to the actuarial assumptions. The changes to the defined benefit obligations for increase / decrease of 1% from assumed discount rate, salary growth rate and attrition rate are given below. In presenting the sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting year, which is the same method as applied in calculating the defined benefit obligation as recognized in the balance sheet. The sensitivity analysis is based on a change in one assumption while not changing all other assumptions. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another since some of the assumptions may be co-related. The following table summarizes the effects of changes in these actuarial assumptions on the defined benefit liability at year-end. There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

	Year ended 31 March 2026		Year ended 31 March 2025 [Refer note 1(b)]	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount rate				
Change in the defined benefit obligation	(34)	40	(29)	34
Salary growth rate				
Change in the defined benefit obligation	39	(34)	36	(31)
Attrition rate				
Change in the defined benefit obligation	2	(3)	0	(0)

The defined benefit obligations shall mature after year end as follows :

	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
1st following year	35	60
2nd following year	60	34
3rd following year	20	67
4th following year	26	14
5th following year	36	19
6 years and onwards up to 10 years	138	99
Other information		
Number of active members	835	738
Weighted average duration of the projected benefit obligation for gratuity (in years)	14	14
Adjusted average future service (in years)	14	19

(b) Compensated absences

Compensated absences is a non-funded defined benefit scheme. The obligation for leave entitlement is recognized in the same manner as gratuity.
The expense towards compensated absence recognised in the consolidayed statement of profit and loss for 31 March 2026 is INR 78 lakhs (also refer note 38(2)(iii)) below and for 31 March 2025 is INR 59 lakhs.
Amount of actuarial loss recognised in other comprehensive income for 31 March 2026 is Nil and for 31 March 2025 is INR 67 lakhs.
Amount recognised in consolidated balance sheet as at 31 March 2026: INR 345 lakhs and 31 March 2025: INR 270 lakhs.

(ii) Defined contribution plan

The Group pays fixed contribution to the provident fund, national pension scheme, employee's state insurance corporation entities and labour welfare fund in relation to several state plans and insurances for individual employees. This fund is administered by the respective Government authorities and the Group has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the year that related employee services are received.

The Group's contribution to defined contribution plan recognised as employee benefit expenses is as below:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025 [Refer note 1(b)]
Employer's contribution towards Provident Fund (PF)	275	234
National pension scheme (NPS)	35	29
Employer's contribution towards Employee's State Insurance Corporation (ESIC)	0	0
Employers contribution towards Labour welfare fund (LWF)	0	0
	310	**263**

(iii) Impact of New Labour Codes

The Government of India has consolidated multiple existing labour legislations into a unified framework comprising four Labour Codes (New Labour Codes), effective 21 November 2025. The Group has assessed the estimated financial Implication arising from implementation of New Labour Codes which has resulted in an increase in gratuity liability by INR 55 lakhs and compensated absence by INR 66 lakhs, arising out of past service cost primarily due to change in the definition of "wages". Considering the materiality, regulatory driven and non-recurring nature of this impact, the Company has presented it as exceptional item in these consolidated financial statements for the year ended 31 March 2026. The Group continues to monitor the finalisation of Central and State Rules and clarifications from the Government on other aspects of the New Labour Codes and would provide appropriate accounting effect on the basis of such developments, as needed.

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Note 39: Leases

The Group's leased assets primarily consists of leases for office premises having different lease terms to conduct its business in the ordinary course.

The Group has discounted lease payments using the incremental borrowing rate for measuring lease liabilities and accordingly recognised ROU assets, after adjusting any prepaid lease rentals.

The lease arrangements with lease term of 12 months or less, and the leases of low-value assets have been excluded from measurement of lease liability and ROU assets. The lease payments related to these arrangements are charged to consolidated statement of profit and loss under the respective head.

The Group does not have any major lease restrictions and commitment towards variable rent as per the contract.

Right-of-use assets:

(i) The net carrying value of right-of-use assets as at 31 March 2026 amounts to INR 836 lakhs and 31 March 2025: INR 150 lakhs and the movement thereof has been disclosed separately in note 6 to the consolidated financial statements.

Lease liabilities:

(i) The movement in lease liabilities is as follows :

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Opening balance	152	74
Add : Addition during the year	829	169
Add : Interest on lease liabilities	59	11
Less : Payment of lease liabilities	(157)	(88)
Add : Other adjustments	(20)	(14)
Closing balance	**863**	**152**
Non current	686	80
Current	177	72

(ii) The table below provides details regarding the contractual maturities of lease liabilities on undiscounted basis:

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
0-1 year	260	82
1-5 years	829	91
5 years and above	-	-

The Group has recognised the following in the consolidated statement of profit and loss:

(i) Depreciation expense from right-of-use assets of 31 March 2026: INR 164 lakhs and 31 March 2025: INR 77 lakhs.

(ii) Interest on lease liabilities of 31 March 2026: INR 59 lakhs and 31 March 2025: INR 11 lakhs. (Refer note 32).

(iii) Expense amounting to 31 March 2026: INR 1,138 lakhs and 31 March 2025: INR 1,004 lakhs related to leases of low-value assets and leases with less than twelve months of lease term. These have been included under plant and machinery, vehicle hire charges and rent expenses (Refer notes 30 and 34).

Note 40 : There are no capital commitments as at the end of reporting years.

Note 41: Contingent liabilities

	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Contingent liabilities (to the extent not provided for):		
a) Income tax demand in respect of earlier years under dispute*	402	405
b) Goods and service tax demand in respect of earlier years under dispute*	7,387	5,993
c) Claims against the Group not acknowledged as debt	15	15

* Future cash outflows in respect of above matters are determinable only on receipt of judgements / decisions pending at various forums / authorities. The management, based on their assessment, does not expect these claims to succeed and accordingly, no provision has been recognised in the financial statements. These amount represents gross demand raised by the authorities (including interest) and the amount paid under protest is not charged to the consolidated statement of profit and loss by the Group.

(d) During the year 2021-22, a government investigating agency filed a case against the Holding Company, two of its employees and a public official in relation to certain allegations concerning a contract. The Holding Company filed an application before the District Court seeking discharge from the proceedings on the grounds that there was no involvement of the Holding Company and that the allegations were not substantiated by the evidence on record. The application was rejected by the District Court. The Holding Company has filed a revision application before the Hon'ble High Court of Gujarat against the said order, which is currently pending disposal. The Holding Company is committed to the highest standards of corporate governance, ethics and compliance, and based on the facts of the case and external legal opinion obtained, management believes that it has strong grounds to defend its position and that the matter is not expected to have a material impact on the consolidated financial statements.

The Group has evaluated all pending litigations, claims, and regulatory proceedings and has recognized provisions where required and disclosed contingent liabilities, as appropriate, in these consolidated financial statements. Based on its assessment, management does not believe that the ultimate resolution of these matters will have a material adverse effect on the consolidated financial statements.





Note 42: Related party disclosure
(Disclosed to the extent transactions have taken place and where control exist).

A) Names of related parties

i) Key managerial personnel (KMP)/ Directors

Mr. Rakesh Markhedkar - Chairman and Managing Director (CMD) and Promoter
Mr. Avinash Markhedkar - Whole Time Director (w.e.f. 17 June 2024) and Promoter (w.e.f. 24 September 2024)
Mr. Nakul Markhedkar - Whole Time Director (w.e.f. 17 June 2024) and Promoter (w.e.f. 24 September 2024)
Mr. Dibyendu Ray - Chief Operating Officer (w.e.f. 23 May 2024)
Mr. Ashish Bahety - Chief Financial Officer
Mrs. Kajal Rakholiya - Company Secretary (w.e.f. 06 May 2024)
Mrs. Priti Savla - Independent Director (w.e.f. 24 September 2024)
Mr. Rakesh Sharma - Independent Director (w.e.f. 24 September 2024)
Mr. Arun Unhale - Independent Director (w.e.f. 24 September 2024)

ii) Relatives/ close member of family of KMP of the Holding Company

Mrs. Kanchan Markhedkar - Wife of CMD
Mr. Vipul Markhedkar - Son of CMD

iii) Entities over which Directors/KMP of the Holding Company have significant influence

SEU India Performance Excellence LLP
Vikran Engineering & Exim Private Limited - Employees Group Gratuity Fund
Swarnayug Developers LLP
Rakesh Markhedkar HUF
Power and Control Transformer Industries Private Limited
Vikran Global Infraprojects Private Limited

iv) Entities having significant influence over the Holding Company (Refer note 55)

Farista Financial Consultants Private Limited (Upto 23 August 2024)
Deb Suppliers and Traders Private Limited (Upto 23 August 2024)

B) Transactions with related parties :

Particulars	Year ended 31 March 2026	Year ended 31 March 2025 [Refer note 1(b)]
1. Sub-contracting and other charges		
SEU India Performance Excellence LLP	21	85
2. Dividend paid		
Mr. Rakesh Markhedkar	230	223
Mr. Vipul Markhedkar	28	27
Mr. Nakul Markhedkar	28	27
Mrs. Kanchan Markhedkar	28	27
Vikran Global Infraprojects Private Limited	4	4
3. Rent paid *		
Mrs. Kanchan Markhedkar	8	7
4. Loan/Advance taken:		
Mr. Rakesh Markhedkar	399	425
Mrs. Kanchan Markhedkar	207	299
Mr. Nakul Markhedkar	146	88
Mr. Vipul Markhedkar	56	105
Rakesh Markhedkar HUF	68	107
5. Loan/Advance repaid:		
Mr. Rakesh Markhedkar	399	425
Mrs. Kanchan Markhedkar	207	299
Mr. Nakul Markhedkar	146	88
Mr. Vipul Markhedkar	56	105
Rakesh Markhedkar HUF	68	107
6.(a) Loan given:		
Power and Control Transformers Industries Private Limited	169	189
6. (b) Loan repayment received:		
Power and Control Transformers Industries Private Limited	24	-
7. Interest income on loan:		
Power and Control Transformers Industries Private Limited	54	16

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B) Transactions with related parties (continued) :

Particulars	Year ended 31 March 2026	Year ended 31 March 2025 [Refer note 1(b)]
8. Interest expense:		
Mr. Rakesh Markhedkar	42	4
Mrs. Kanchan Markhedkar	24	7
Mr. Nakul Markhedkar	16	2
Mr. Vipul Markhedkar	4	2
Rakesh Markhedkar HUF	9	10
9. Reimbursement of expenses incurred by		
Mr. Rakesh Markhedkar	157	66
Mrs. Kanchan Markhedkar	0	3
Mr. Nakul Markhedkar	32	17
Mr. Vipul Markhedkar	0	1
Mr. Avinash Markhedkar	-	0
10. Expenses incurred by the Group on behalf of		
Mr. Rakesh Markhedkar^	157	66
Mrs. Kanchan Markhedkar	0	15
Mr. Nakul Markhedkar	32	13
Mr. Vipul Markhedkar	0	8
11. Remuneration (short term employee benefits) to KMP and their relatives/ close members of family of KMP		
Mr. Rakesh Markhedkar	297	266
Mr. Avinash Markhedkar	99	77
Mrs. Kanchan Markhedkar	308	264
Mr. Nakul Markhedkar	236	211
Mr. Vipul Markhedkar	176	138
Mr. Ashish Bahtey	120	96
Mr. Dibyendu Ray	125	69
Mrs. Kajal Rakholiya	27	12
12. Director's sitting fee		
Mrs. Priti Savla	4	1
Mr. Rakesh Sharma	4	1
Mr. Arun Unhale	3	1
13. Salary advance given		
Mr. Rakesh Markhedkar	-	44
Mrs. Kanchan Markhedkar	-	50
Mr. Vipul Markhedkar	-	50
14. Salary advance recovery		
Mr. Rakesh Markhedkar	-	44
Mrs. Kanchan Markhedkar	-	50
Mr. Vipul Markhedkar	-	50

* The figures are based on contractual arrangement executed and does not include the impact of Ind AS.

^ Includes INR 152 lakhs (31 March 2025: INR 57 lakhs) towards expense incurred on behalf of promoter selling shareholder, which has been incurred by the Holding Company towards Initial Public Offering (IPO) of the equity shares of the Holding Company.





C) Balances outstanding at the year-end

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Trade receivables		
Swarnayug Developers LLP	148	148
Advance to suppliers		
SEU India Performance Excellence LLP	-	1
Loans (including interest accrued thereon)		
Power and Control Transformers Industries Private Limited	397	203
Other financial assets		
Vikran Engineering & Exim Private Limited Employees Group Gratuity Fund	0	0
Mr. Rakesh Markhedkar	-	57
Salary payable		
Mr. Rakesh Markhedkar	2	83
Mr. Avinash Markhedkar	4	6
Mrs. Kanchan Markhedkar	9	42
Mr. Nakul Markhedkar	12	16
Mr. Vipul Markhedkar	7	2
Mr. Ashish Bahety	7	1
Mr. Dibyendu Ray	4	5
Mrs. Kajal Rakholiya	1	1

Notes:

(i) Transactions with related parties are in compliance with Section 188 of the Act, as applicable. The outstanding balances at year end are unsecured and due to be settled for consideration in cash / cash equivalent.

(ii) Refer note 20 for details of guarantees provided by related parties for borrowings availed by the Group.

(iii) The remuneration to the KMPs does not includes the provision made for gratuity and compensated absences, as they are determined on an actuarial basis for the Group as a whole.

(iv) The Group executes certain projects through special purpose vehicles (SPV) which are not body corporates. These SPVs are treated as an extension of the Group itself as in substance the Group assumes all the risk and rewards related to such arrangements including managing operations of such projects. Hence such SPVs are not considered as related party for disclosure purpose in this note.

(v) During the previous year ended 31 March 2025, pursuant to approval by National Company Law Tribunal (NCLT) of the scheme of amalgamation of the Holding Company with Farista Financial Consultants Private Limited and Deb suppliers and Traders Private Limited (collectively referred to as 'erstwhile promoters'), these erstwhile promoter companies have been amalgamated with the Holding Company and the shares held by these two entities have been reduced from the share capital of the Company and in-turn new shares of the Holding Company have been issued to the shareholders of erstwhile promoters which included Mr. Rakesh Markhedkar. Also refer note 55.

(vi) Refer note 58 for investments made by the Group subsequent to the year end.

(vii) Refer note 18(k) for details of offer for sale by Rakesh Markhedkar - sole promoter selling shareholder in relation to IPO of the Holding Company during the current year.





Note 43: Additional information required under Schedule III to the Companies Act, 2013 for the entities included in the consolidated financial statements, as at and for the year ended 31 March 2026:

Particulars	Principal place of business/country of incorporation	Ownership interest	Net Assets, *i.e.*, total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
			As % of consolidated net assets	Amount	As % of consolidated profit or (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
1			2	3	4	5	6	7	8	9
Holding Company:										
Vikran Engineering Limited			100.00%	1,23,737	100.00%	9,170	100.00%	69	100.00%	9,239
Subsidiary:										
Vikran MP Solar Private Limited (effective 22 January 2026)	India	100.00%	0.00%	1	(0.00%)	(0)	-	-	(0.00%)	(0)
Consolidation adjustments			(0.00%)	(1)	-	-	-	-	-	-
Total			**100.00%**	**1,23,737**	**100.00%**	**9,170**	**100.00%**	**69**	**100.00%**	**9,239**

Note: The above information is disclosed only for the year ended 31 March 2026 since there was no other entity in the Group except Holding Company, in the previous year.

Note 44: Segment information

The Group is principally engaged in a single business segment viz. Engineering, Procurement and Construction (EPC) services. The Group's Chief Operating Decision Maker (CODM) monitor and review the operating result of the Group prepared on the basis of financial information of EPC business, as a whole. Thus, as defined in Ind AS 108 "Operating Segments", the Group's entire business falls under this one operational segment.

(a) Revenue from sale of services on a geographic basis:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025 [Refer note 1(b)]
India	1,24,794	91,182
Outside India	-	-
Total	**1,24,794**	**91,182**

(b) Revenue from sale of services derived from major customers is as follows:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025 [Refer note 1(b)]
Revenue from top five customers	1,04,048	63,685

(c) For the year ended 31 March 2026, one (31 March 2025: three) customer(s), individually accounted for more than 10% of the revenue from operations. Revenue from these customer(s) is INR 69,764 lakhs (31 March 2025: INR 26,371 lakhs, INR 12,280 lakhs and INR 9,410 lakhs).

(d) Non-current assets*

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
India	3,380	2,471
Outside India	-	-

* Excluding financial assets and tax assets.

Note 45: Dividend

Particulars	Year ended 31 March 2026	Year ended 31 March 2025 [Refer note 1(b)]
Dividend on equity shares paid during the year:		
Final dividend for the previous year paid in current year	389	378
	389	**378**

The dividend paid by the Holding Company is in compliance with the Section 123 of Act. No income tax consequences are expected to arise as a result of this transaction at the Group level.

Note 46: Proposed Dividend

The Board of Directors of the Holding Company, at its meeting held on 22 May 2026, proposed a final dividend of INR 0.18 per equity share. As the distribution of dividends by the Holding Company requires approval at the shareholders' meeting, no liability in this respect is recognised in the consolidated financial statements for the year ended 31 March 2026. The proposed dividend is in compliance with the Section 123 of the Act.

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Note 47: Fair value measurements

Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participant at the measurement date.

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1 : Prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Valuation technique used to determine fair value
Specific valuation techniques used to value financial instruments include:
- the use of quoted market prices or dealer quotes for similar instruments
- the use of discounted cash flow for fair value at amortised cost

Assets and liabilities which are measured at amortised cost for which fair values are disclosed:

Particulars	As at 31 March 2026			
	Carrying value			Fair value hierarchy of financial assets and liabilities measured at FVTPL
	Amortised cost	Financial assets / liabilities at fair value through profit or loss (FVTPL)	Total carrying value	
Financial assets				
Investment in mutual funds	-	117	**117**	Level 1
Trade receivables	1,04,233	-	**1,04,233**	-
Loans	5,423	-	**5,423**	-
Cash and cash equivalents	3,326	-	**3,326**	-
Other bank balances	18,646	-	**18,646**	-
Other financial assets	8,743	-	**8,743**	-
Financial liabilities				
Long term borrowings	4,584	-	**4,584**	-
Short term borrowings	24,643	-	**24,643**	-
Lease liabilities	863	-	**863**	-
Trade payables	78,842	-	**78,842**	-
Other financial liabilities	822	-	**822**	-

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Notes to the consolidated financial statements as at and for the year ended 31 March 2026
(All amounts in INR lakhs, unless otherwise stated)

Particulars	As at 31 March 2025 [Refer note 1(b)]			
	Carrying value			Fair value hierarchy of financial assets and liabilities measured at FVTPL
	Amortised cost	Financial assets / liabilities at fair value through profit or loss (FVTPL)	Total carrying value	
Financial assets				
Investment in mutual funds	-	113	**113**	Level 1
Trade receivables	63,432	-	**63,432**	-
Loans	203	-	**203**	-
Cash and cash equivalents	250	-	**250**	-
Other bank balances	6,457	-	**6,457**	-
Other financial assets	3,221	-	**3,221**	-
Financial liabilities				
Long term borrowings	3,192	-	**3,192**	-
Short term borrowings	24,102	-	**24,102**	-
Lease liabilities	152	-	**152**	-
Trade payables	47,762	-	**47,762**	-
Other financial liabilities	1,709	-	**1,709**	-

Fair value of financial assets and liabilities measured at amortised cost
The carrying amounts of trade receivable, cash and cash equivalents, other bank balances, security deposits, loans, trade payables and other current financial liabilities are considered to be the same as their fair values, due to their short term nature.

Fair value of other non-current financial assets approximate their carrying amounts due to the fact that it is estimated by discounting future cash flows using market rates of interest applicable as at reporting dates.

Fair value of long term borrowings approximate their carrying amounts due to the fact that long term borrowings are measured at amortised cost using the floating rates/fixed rates of interest, which in turn are based on interest rates prevailing in the market for similar transaction.

Fair value of financial assets measured at FVTPL
The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at the reporting dates.

There are no transfers in either level during the reporting years.

There are no financial assets/ liabilities which are measured at fair value through other comprehensive income.

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Note 48: Financial risk management

The Group activities expose it to interest rate risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance, the Group's risk management is carried out by a corporate treasury and corporate finance department under policies approved by the board of directors and top management. The Group's treasury identifies, evaluates and mitigates financial risks in close cooperation with the Group's operating units. The board provides guidance for the overall risk management, as well as policies covering specific areas.

This note explains the sources of risk which the entity is primarily exposed to and how the entity manages the risk and the related impact in the consolidated financial statements.

A Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service dues according to the contractual terms and obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and credit worthiness of the customer on continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. The financial instruments that are subject to concentration of credit risk principally consist of trade receivables and cash and bank equivalents.

Bank deposits are placed with reputed banks / financial institutions. Hence, there is no significant credit risk on such fixed deposits. Mutual fund investments are made in plans of renowned asset management company only. The credit risk associated with bank, security deposits and mutual fund investments is relatively low.

Other financial assets includes deposits receivable, interest accrued on deposits and other receivables. These receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Trade receivables are typically unsecured. Credit risk on trade receivables is limited as the Group's customer base substantially includes government promoted undertakings and public sector undertakings. Also, generally the Group does not enter into sales transaction with customers having credit loss history. In addition, trade receivable balances are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant. 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 Group's remaining performance as specified under the contract, which is consistent with the industry practice. The Group does not require collateral in respect of its trade receivables. An impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The provision rates are based on days past due. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions. It also includes forward looking information like forecasts of future economic conditions, taking into account the macro economic factors affecting the ability of the customers to settle the receivables. In case of disputed trade receivables, the Group performs individual credit risk assessment and creates expected credit loss allowance (ECL) based on internal assessment for such cases.

Contract assets represent the Group's right to consideration in exchange for work completed but not yet billed as at the reporting date. Contract assets are exposed to credit risk to the extent that the customer may be unable to meet its contractual payment obligations once the right to consideration becomes unconditional. In accordance with Ind AS 109, the Group assesses impairment on contract assets using the ECL model. Since contract assets do not have contractual due dates, the Group determines impairment by grouping exposures based on the expected timing of certification and billing.

The Group also performs a specific assessment of contract assets that remain uncertified or unbilled for extended periods. Such assessment includes evaluation of project status, correspondence with customers, reasons for certification delays, contractual entitlement, customer budgetary approvals and subsequent collections, where applicable. Based on the assessment performed, management has concluded that the recognised contract assets are recoverable and the provision for expected credit losses is adequate.

The following table provides information about the ECL rate for trade receivables:

Ageing bracket of trade receivables	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Upto 90 days	0.10% to 1.00%	0.10% to 1.00%
91 to 180 days	2.50% to 4.50%	2.50% to 4.50%
181 to 365 days	7.00% to 11.00%	7.00% to 11.00%
More than 365 days	25.00% to 80.00%	25.00% to 80.00%

a) For reconciliation of loss allowance on trade receivables, refer note 14.2.
b) For reconciliation of loss allowance on contract assets, refer note 17.2.

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B Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding to meet obligations when due. Due to the dynamic nature of the underlying businesses, Group maintains flexibility in funding by maintaining sufficient cash and bank balances available to meet the working capital requirements. Management monitors rolling forecasts of the Group's liquidity position on the basis of expected cash flows.

The Group's principal sources of liquidity are cash and cash equivalents, and the cash flow that is generated from operations. The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. The Group closely monitors its liquidity position and maintains adequate source of funding.

The Group also participates in supply chain financing arrangement (SCF) under which suppliers may elect to receive early payment of their invoice by factoring their receivables.

(i) Maturities of financial liabilities

The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date based on the contractual undiscounted payments. Refer note 39 for contractual maturities of lease liabilities.

As at 31 March 2026	Carrying amount	Contractual maturities				
Particulars	Amount	Repayable on demand	Upto 1 year	Between 1 - 3 years	Beyond 3 years	Total
Financial liabilities						
Borrowings	29,227	5,863	18,665	4,699	-	**29,227**
Trade payables	78,842	-	75,890	2,517	435	**78,842**
Other financial liabilities	822	-	822	-	-	**822**
Total	**1,08,891**	**5,863**	**95,377**	**7,216**	**435**	**1,08,891**

As at 31 March 2025 [Refer note 1(b)]	Carrying amount	Contractual maturities				
Particulars	Amount	Repayable on demand	Upto 1 year	Between 1 - 3 years	Beyond 3 years	Total
Financial liabilities						
Borrowings	27,294	13,015	11,140	3,112	27	**27,294**
Trade payables	47,762	-	45,317	2,445	-	**47,762**
Other financial liabilities	1,709	-	1,709	-	-	**1,709**
Total	**76,765**	**13,015**	**58,166**	**5,557**	**27**	**76,765**

C Market risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant profit and loss item is the effect of the assumed changes in respective market risks.

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rate risks. The Group's exposure to risk of changes in market interest rates primarily to the Group's long-term debt obligations. For the Group the interest risk arises mainly from interest bearing borrowings which are at floating interest rates. To mitigate interest rate risk, the Group closely monitors market interest and optimise borrowing mix / composition.

(i) Cash flow and interest rate risk

- Interest rate risk management

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rate risks. The Group's exposure to risk of changes in market interest rates primarily to the Group's long-term debt obligations with floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

- Interest rate exposure

The exposure of the Group's borrowing to interest rate changes at the end of the reporting year are as follows:

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Variable rate borrowing	17,766	16,757
Fixed rate borrowings	11,461	10,537
Total	**29,227**	**27,294**

- Interest rate sensitivity

A change of 50 bps in interest rates would have following impact on profit before tax and equity (holding all other variables constant)

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
50 bps increase would decrease the profit before tax/equity by*	(89)	(84)
50 bps decrease would increase the profit before tax/equity by*	89	84

* Sensitivity is calculated based on the assumption that amount outstanding as at reporting dates were utilised during the year.

(ii) Mutual fund price risk

The value of unquoted mutual fund investments measured at fair value through profit and loss as at 31 March 2026 is INR 117 lakhs (31 March 2025: INR 113 lakhs. A 10% change in value for year ended 31 March 2026 would result in an impact of INR 12 lakhs (31 March 2025: INR 11 lakhs) on profit before tax and other equity (holding all other variables constant).

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Note 49: Capital management

The Group's objectives when managing capital are to :
1. Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
2. Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, reduce debt or sell assets.

The Group maintains its capital structure and makes adjustments, if required in the light of changes in economic conditions and the requirements of the financial covenants. Consistent with others in the industry, the Group monitors its capital using the gearing ratio which is net debt divided by equity and intends to manage optimal gearing ratios. In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure

The gearing ratios are as follows:

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Net debt (Total borrowings less cash and cash equivalents)	25,901	27,044
Total equity	1,23,737	46,787
Capital gearing ratio	**0.21**	**0.58**

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50 : Disclosure as per Ind AS 115 - Revenue from Contracts with Customers

a) Reconciliation of revenue from sale of services with the contracted price

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Contracted price as at opening of the year	1,69,825	2,01,793
Add : New contracts entered during the year	3,64,961	56,506
Add/(Less): Increase due to additional consideration recognised as per contractual terms/(decrease) due to scope reduction (net), including variable consideration (if any)	6,146	2,708
Less: Revenue recognized during the year	1,24,794	91,182
Contracted price as at end of the year	**4,16,138**	**1,69,825**

Unsatisfied performance obligations:
The aggregate amount of transaction price allocated to performance obligation that are unsatisfied as at the end of reporting year is INR 416,138 lakhs (31 March 2025: INR 169,825 lakhs). Management expects that the transaction price allocated to unsatisfied contracts will be recognised as revenue over the next 1 to 3 years (31 March 2025: 1 to 3 years) depending upon the progress of each contract.

b) Revenue based on performance obligations

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
As services are rendered (over the period of time)	1,24,794	91,182
Upon completion of services (at a point in time)	-	-

c) Recognised revenue earned from:

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Related parties	-	-
Others	1,24,794	91,182

d) Contract balances

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Trade receivables (net carrying value)	1,04,233	63,432
Contract assets (unbilled work in progress)	86,813	46,684
Advance from customers	8,574	2,335
Contract liability*	3,840	4,400

Balance of trade receivables as at 01 April 2024 was INR 46,390 lakhs.
* Revenue recognised during the year from opening contract liability is INR 806 lakhs (31 March 2025 : INR 11,060 lakhs).

e) Movement in contract assets and contract liabilities

Particulars	Contract assets (gross)	Contract liability and customer advances
Balance as on 01 April 2024	**28,916**	**14,960**
Net increase/ (decrease)	17,768	(8,225)
Balance as on 31 March 2025	**46,684**	**6,735**
Net increase/ (decrease)	40,129	5,679
Balance as on 31 March 2026	**86,813**	**12,414**

Note: Increase in contract assets is primarily due to higher revenue recognition as compared to progress billing during the year in certain projects, whereas increase in contract liability is primarily due to higher progress billing as compared to revenue recognition during the current year in certain other projects.

f) Cost to obtain or fulfil the contract:
(i) Amount of amortisation recognised in Statement of Profit and Loss during the year : Nil (31 March 2025: Nil).
(ii) Amount recognised as contract assets in relation to cost incurred for obtaining contract as at 31 March 2026 : Nil (31 March 2025: Nil).

g) In the normal course of business, the payment terms contractually agreed with the customers ranges from 45 to 60 days except retention monies which are due after the completion of the project as per the terms of contract. However, actual realisation may vary.

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51 Figures for the previous year have been regrouped/ rearranged, wherever considered necessary, to conform to current year's classification. The impact of such reclassification/ regrouping is not material to the users of the consolidated financial statements. Also refer note 1(b).

52 Other statutory information as per Schedule III to the Act

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

(ii) The Group has not traded or invested in Crypto currency or Virtual Currency during the reporting years.

(iii) The Group does not have any such transaction which is not recorded in the books of account 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).

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

(v) There are no transactions or outstanding balances with struck off companies as at and for the years ended 31 March 2026 and 31 March 2025 except below:

Name of entity	Nature of transactions	31 March 2026	31 March 2025 [Refer note 1(b)]	Relationship
Eweels Logistics Services India Private Limited	Advance	0	0	Vendor
Lorshi Enterprises Private Limited	Payables	0	0	Vendor
Taneesh Travel And Tours Private Limited	Advance	0	0	Vendor
Kedar Badri Construction Private Limited*	Payables	3	3	Vendor
Rishabh Human Resource Solution Private Limited*	Payables	2	2	Vendor
TMSV Paripurnam Infrastructure (OPC) Private Limited*	Payables	0	0	Vendor
Unive Orbital Private Limited	Payables	3	3	Vendor
Vidhudi Engineering India Private Limited	Payables	0	0	Vendor
Plinth Construction Private Limited	Payables	0	0	Vendor
Sujala Pipes Private Limited	Payables	2	-	Vendor
Jyotipriya Infratech Private Limited	Payables	0	0	Vendor

** Balance written back.*

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53 The Group has 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 Group shall :
(i) 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
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

54 The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall :
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

55 The Board of Directors of the Holding Company, at their meeting held on 18 December 2021, had approved the scheme of amalgamation of Farista Financial Consultants Private Limited ("Farista") and Deb Suppliers and Traders Private Limited ("Deb") (hereinafter, collectively referred as 'Transferor Companies') with the Holding Company under section 230 to 232 of the Act and other applicable provisions of the Act read with Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 ('the Merger'). The aforesaid Scheme of Merger was approved by National Company Law Tribunal, Mumbai Bench ('NCLT') during the previous year, vide its order dated 14 August 2024 pronouncing 01 April 2023 as the Appointed Date. The certified true copy of the NCLT order was filed by the Holding Company with Registrar of Companies on 23 August 2024 ('Effective Date').

Pursuant to the said NCLT order and the scheme of the Merger, the Holding Company issued 1,445,940 and 1,450,840 equity shares (having face value of INR 1 each) to the shareholders of Farista and Deb, respectively in the swap ratio as mentioned in the NCLT order, during the previous year. From the equity shares issued to them, 1,449,480 equity shares previously held by Farista and 1,444,300 equity shares previously held by Deb (having face value of INR 1 each) in the Holding Company were reduced from the Effective Date. Further, Deb and Farista have been amalgamated with the Holding Company from the Effective Date.

Management has assessed that the Merger is not in the nature of business combination as per Ind AS 103 - 'Business Combinations' as Farista and Deb did not have inputs/processes through which any output could be generated. Further, the impact of the Merger is not material to the Holding Company. Consequently, the impact of the Merger is taken from the Effective Date in the books of the Holding Company.

Assets acquired and liabilities assumed as on the Effective Date:

Particulars	Amount
Income tax assets	28
Cash and cash equivalents	15
Trade payables	(1)
Net assets acquired (a)	42
Reduction of existing equity shares held by Farista and Deb in the Holding Company as per the scheme	(29)
Issue of new equity shares to the Individual shareholders as per the scheme	29
Net impact of equity shares issued (b)	0
Transferred to retained earnings since the merger is not in the nature of business combination (a+b)	42

Notes:
a) There is no contingent consideration payable as a part of the scheme of merger.
b) Transaction costs have been expensed in the statement of profit and loss.

56 Ministry of Corporate Affairs (MCA) has prescribed a requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules, 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail is not disabled.

The Holding Company uses an accounting software for maintaining its books of account which is operated by a third party software service provider 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 at an application level. The 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3402, Assurance Reports on Controls at a Service Organisation) does not provide any information regarding the existence, operation, retention or tampering (if any) of the audit trail feature at database level for the said accounting software. Consequently, the Holding Company is unable to ascertain whether any audit trail maintained at the database level has been enabled, retained, or safeguarded from tampering. The audit trail feature at the application level has not been tampered with and has been preserved by the Holding Company in accordance with the applicable statutory record retention requirements.

The subsidiary company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the period, from its date of incorporation to 31 March 2026, for all relevant transactions recorded in the software. The audit trail feature has not been tampered with.

57 **Disclosure of Supplier Finance Arrangements in the nature of Borrowings:**

The Group, in case of certain suppliers, enjoys extended credit period by using its credit line after the due date of the invoice. Since these are in nature of working capital loan/ short term loan, such amounts are disclosed as borrowings (Refer note 20).
By virtue of commercial agreement with the finance providers, the Group gets extended credit period for which the finance providers charges interest and processing fee as well which is presented as finance costs. The Group placed certain current assets as a collateral with the finance providers to avail some of such facilities. Such secured facilities have been repaid as at 31 March 2026.
The terms of such arrangements are largely similar to other working capital financing obtained by the Group from various banks/financial institution.
The carrying value of liabilities related to supplier finance arrangement being presented under "Borrowings" are considered to be reasonable approximation of fair value, largely due to the short-term nature of the arrangement.





Disclosures of the supplier finance arrangement are as follows:

Particulars	As at 31 March 2026	As at 31 March 2025 [Refer note 1(b)]
Carrying amount of liabilities under supplier finance arrangement		
Presented within borrowings	1,424	4,755
- Of which suppliers have received payment from the finance provider	1,424	*
Range of payment due dates		
Liabilities that are part of the arrangement	0-120 days	*
Comparable trade payables that are not part of an arrangement	0-90 days	*

* The Group applied transitional relief available under Supplier Finance Arrangements (Amendments to Ind AS 7 and Ind AS 107) and has not provided comparative information in the first year of adoption.

Non-cash changes

There were no material business combinations or foreign exchange differences that would affect the liabilities under the supplier finance arrangement in either period.
Change in classification from trade payables to borrowing under the supplier finance arrangement of INR 1,424 lakhs as on 31 March 2026 has been considered as non cash transfers for the purpose of disclosure under Ind AS 7.

Presentation in the Statement of Cash Flows

The Group has classified the payment made by the finance providers under the aforementioned supplier finance arrangement as operating cash outflows with corresponding financing cash inflows at the time the finance providers pays the vendor, as in substance the Group has considered that the finance providers are acting as payment agent on behalf of the Group. Later, when the Group subsequently pays the outstanding amount to the finance providers, such cash outflow are presented under cash flows from financing activity.

Liquidity risk analysis for facilities under supplier finance arrangements:

The Group's commercial contracts with vendors take into account several factors when determining payment terms. These include market conditions, origins of sourcing, and the ability of the vendor to obtain early financing, for example through supplier finance arrangements or direct arrangements with financial institutions. These factors lead to a diversity of payment terms throughout the Group, avoiding concentration of payment terms. The Group has implemented supplier finance arrangements with various finance providers across the country. This has improved the Group's working capital. The finance providers are in good financial condition, and the Group has no significant concentration on liquidity risk with these finance providers.

58 Events after the reporting date:

a) The Group acquired 100% equity stake in NOPL Solar Projects Private Limited for an aggregate consideration of INR 1,000 lakhs, pursuant to Share Purchase Agreements dated 27 April 2026 and 20 May 2026 for acquiring 49% equity stake and 51% equity stake, respectively. Such investment is in line with the Group's strategy to expand its presence in the renewable energy sector.

b) The Group has subscribed to 100% of the paid-up equity share capital of INR 1 lakh in Vikran Renewable Private Limited on its incorporation date - 04 May 2026, thereby making it a wholly-owned subsidiary with effect from that date.

c) The Group has subscribed to 100% of the paid-up equity share capital of INR 1 lakh in Vikran For Good Foundation ("VGF") on its incorporation date - 04 May 2026. VGF is incorporated under Section 8 of the Companies Act, 2013 to undertake charitable and social impact initiatives, including activities aligned with the corporate social responsibility objectives of the Group.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration Number: 001076N/ N500013

Rakesh R. Agarwal
Partner
Membership No. : 109632

Place: Mumbai
Date: 22 May 2026

For and on behalf of the Board of Directors
Vikran Engineering Limited

Rakesh Markhedkar
Chairman & Managing Director
DIN : 07009284

Place: Thane
Date: 22 May 2026

Avinash Markhedkar
Director
DIN : 03089201

Place: Thane
Date: 22 May 2026

Ashish Bahety
Chief Financial Officer
Place: Thane
Date: 22 May 2026

Kajal Rakholiya
Company Secretary
Place: Thane
Date: 22 May 2026