



2024

Annual Report



Ircon Davanagere Haveri Highway Limited

(A Wholly owned subsidiary of Ircon International Limited)

CIN: U45500DL2017GOI317401

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BOARD OF DIRECTORS

Mr. Yogesh Kumar Misra
Chairman



Mr. Masood Ahmad
Director



Mr. Rabindra Kumar Jaiswal
Director



Ms. Aradhana Garg
Director

IRCON DAVANAGERE HAVERI HIGHWAY LIMITED

KEY MANAGERIAL PERSONNEL

Shri Goutam Kumar Mishra	: Chief Executive Officer
Shri Mahadeb Mandal	: Chief Financial Officer
Shri Pradeep Kumar	: Company Secretary

AUDITORS

M/s G A C S & Associates Chartered Accountants	: Statutory Auditor
M/s Singhal Sunil & Associates, Chartered Accountants	: Internal Auditor
M/s. Jayesh Parmar & Associates Company Secretary	: Secretarial Auditor
M/s. Ravi Sahni & Co., Cost Accountants	: Cost Auditor

BANKERS

Punjab National Bank, Tolstoy House, Tolstoy Road, New Delhi-110001

CONTACT PERSON

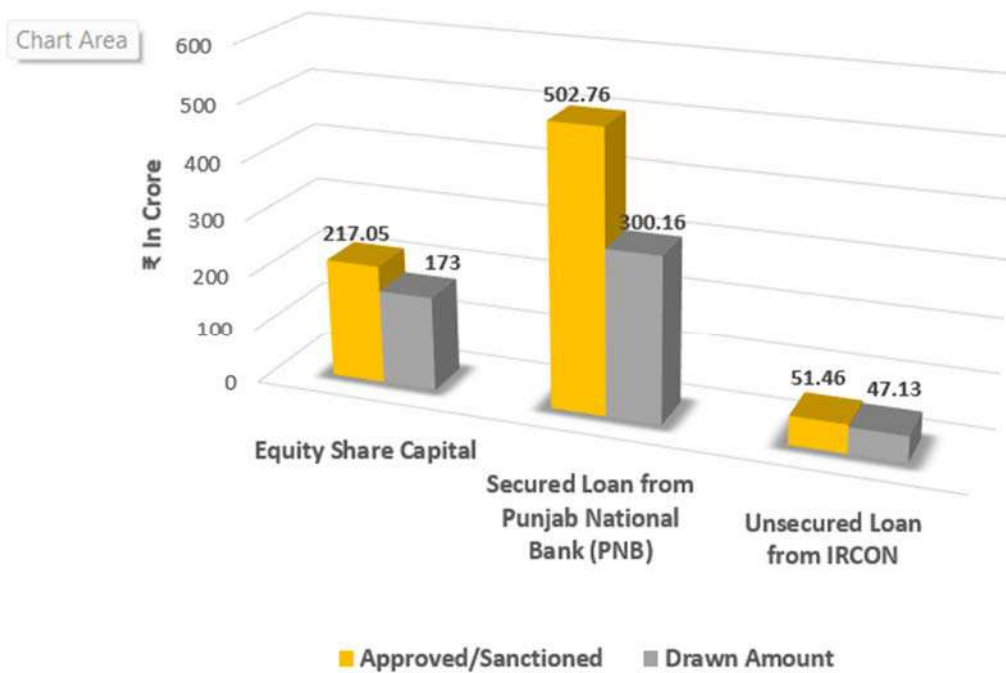
REGISTERED OFFICE

Shri Pradeep Kumar
Company Secretary
E-mail: ircondhhl@gmail.com

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

Equity & Loan

(As on 31.03.2024)



CHAIRMAN'S ADDRESS

AT THE SEVENTH (7TH) ANNUAL GENERAL MEETING HELD ON 12TH AUGUST 2024



Dear Shareholders,

I am delighted to welcome you all at the Seventh (7th) Annual General Meeting of Ircon Davanagere Haveri Highway Limited (IrconDHHL) and present the Audited Statements for the Financial year 2023-24. I would like to thank each one of you for making it convenient for joining this meeting.

I would like to place before you, few highlights of Ircon Davanagere Haveri Highway Limited (IrconDHHL).

Ircon Davanagere Haveri Highway Limited (IrconDHHL), a wholly owned subsidiary of Ircon International Limited (IRCON) incorporated on May 11, 2017 as a Special Purpose Vehicle (SPV) with the main object to execute "Six-laning of Davanagere- Haveri from km 260+000 to km 338+923 of NH-48 (old NH- 4) in the State of Karnataka, to be executed as Hybrid Annuity Mode on Design, Build, Finance, Operate and Transfer (DBFOT) basis under NHDP Phase-V" in accordance with the terms of the Concession Agreement, signed with the National Highways Authority of India (NHAI) on June 19, 2017.

The concession period of the project comprises of construction period of 912 days (30 months) commencing from the Appointed Date i.e. January 24, 2018 (as fixed by NHAI) and operation and maintenance period of 15 years commencing from COD, with the total project bid cost is ₹1177 Crore plus escalation excluding Operation & Maintenance (O&M) cost. The scope of work comprises of six-laning of 78.923 Km (total length of Highway) of existing four lane main carriageway along with construction of 154.654 Km of service road length including major bridges, culverts, Vehicular underpasses, pedestrian underpasses, flyovers and other allied works.

The Scheduled date of completion of project was 24.07.2020. NHAI had approved Extension of Time (EOT) for the Project on account of COVID-19 upto 28.05.2021 and issued Provisional Completion Certificate (PCC) w.e.f 28.05.2021. Accordingly, from the said date, the project had entered into operation and maintenance phase for the period of 15 years. The first 06(six) annuity payments have been received along with O&M payments and 7th annuity payment is due on 24.11.2024.

The Operation and Maintenance contract for the completed works was initially awarded by IrconDHHHL to M/s G R Engineers, Mathura (U.P) for 2 years from 07.10.2021 & extension of the Contract was granted upto 31.01.2024. Subsequently, the work for a further period of O&M for 2 years has been awarded to IRCON INTERNATIONAL LIMITED (IRCON) vide LOA dated 22.12.2023. Now, the responsibility of the O&M work from 01.02.2024 onwards has been entrusted to IRCON.

Due to hindrances not attributable to the Company, the Authority had descoped the work of 6.88 Km of Main Carriage Way, 49.848 Km of Service Road and Project facilities. On request for rescoping of descoped work by the Company, NHAI has rescoped the work. A Settlement Agreement for the execution of balance scope of work has been signed on 25.04.2023 and the work is to be completed within the execution target of 18 months i.e upto 31.10.2024. Thus, completing the entire scope of work as envisaged in the Concession Agreement as per Original Bid Project Cost. The rescoped works are being executed by the EPC Contractor (IRCON).

Financial Performance

During the year, IrconDHHHL achieved Total Income of ₹13,197.40 Lakhs (including other income of ₹6322.48 Lakhs and profit/(Loss) after tax for the Financial Year 2023-24 of ₹2387.82 Lakhs.

IrconDHHL has availed Term Loan facility of ₹502.76 Crore from Punjab National Bank (PNB) to finance the project.

During the year, out of the total sanctioned Term Loan of ₹502.76 Crore, ₹362.97 Crore has been disbursed by PNB.

Compliances and Disclosures

Compliance and Disclosures under the Companies Act, 2013 and its associated rules there under are fully being adhered to. CPSE's constituted as Special Purposed (SPV) are exempted from compliance with the DPE Guidelines on Corporate Governance for CPSEs. Hence, Corporate Governance guidelines of DPE are not applicable on your Company.

Memorandum of Understanding (MOU)

Memorandum of Understanding (MoU): Your Company has requested IRCON to grant it exemption from compliance of Annual MoU exercise for the financial year 2024-25, in line with the Memorandum of Understanding (MoU) Guidelines issued by Department of Public Enterprises (DPE) dated 6th February, 2024 and IRCON vide its letters dated 21st March 2024 has granted exemption to the Company from compliance of Annual MOU exercise for the financial year 2024-25.

Acknowledgements

I, on behalf of Board of Directors, express my heartfelt thanks for the valuable assistance and co-operation extended to the Company by Ministry of Road, Transport & Highways (MoRTH), National Highways Authority of India (NHAI), Ircon International Limited and the Auditors of the Company. I acknowledge the efforts of the Company's employees, who are our most valuable asset. Their dedication, intellect, hard work, and deep sense of value has been the key to take our company forward.

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

**For and on behalf of
Ircon Davanagere Haveri Highway Limited**

Sd/-

Yogesh Kumar Misra
Chairman
DIN: 07654014

Date: 02.08.2024

Place: New Delhi

DIRECTORS' REPORT

IRCON DAVANAGERE HAVERI HIGHWAY LIMITED



Dear Members,

Your Directors have immense pleasure in presenting the 7th **Annual Report** together with the Audited Financial Statements of the Company for the year ended March 31, 2024.

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

Ircon Davanagere Haveri Highway Limited (IrconDhhl), a wholly owned subsidiary of Ircon International Limited (IRCON) incorporated on May 11, 2017 as a Special Purpose Vehicle (SPV) with the main object to execute "Six-laning of Davanagere- Haveri from km 260+000 to km 338+923 of NH-48 (old NH- 4) in the State of Karnataka, to be executed as Hybrid Annuity Mode on Design, Build, Finance, Operate and Transfer (DBFOT) basis under NHDP Phase-V" in accordance with the terms of the Concession Agreement, signed with the National Highways Authority of India (NHAI) on June 19, 2017.

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work is to be completed within the execution target of 18 months i.e. upto 31.10.2024. Thus, completing the entire scope of work as envisaged in the Concession Agreement as per Original Bid Project Cost. The rescope works are being executed by the EPC Contractor (IRCON).

2. FINANCIAL HIGHLIGHTS:

In pursuance of the provisions enumerated under Companies (Indian Accounting Standards) Rules, 2015, the Company, has prepared its annual financial statements for the Financial Year 2023-24 as per Indian Accounting Standards (IND AS).

Financial performance indicators as on 31st March 2024:

(Amount in ₹ In Lakh)

S.No.	Particulars	For the Year Ended 31.03.2024	For the Year Ended 31.03.2023
1.	Equity Share Capital	17,300.00	17,300.00
2.	Other Equity (includes Reserves and Surplus)	7,417.10	5029.27
3.	Net Worth	24,717.10	22329.27
4.	Borrowings (Long term)	32,217.45	34729.61
5.	Total Assets and Liabilities	61,126.57	61797.48
6.	Revenue from Operations	6874.92	1975.25
7.	Other Income	6,322.48	5683.19
8.	Total Income (6) + (7)	13,197.40	7658.44
9.	Profit Before Tax (8)-(11)	3212.67	3471.18
10.	Profit/(Loss) After Tax	2387.82	2637.04
11.	Balance of Profit/loss for earlier years	3643.27	1006.23
12.	Balance carried forward	6031.09	3643.27

During the year, IrconDHHL achieved Total Income of ₹13,197.40 Lakhs (including other income of ₹6322.48 Lakhs) and profit/(Loss) after tax for the Financial Year 2023-24 of ₹2387.82 Lakhs.

During the FY 2023-24, CARE Ratings Limited has provided AA- (Double A Stable) rating for the long-term bank facilities of ₹275.04 Crore to your Company.

3. DIVIDEND & APPROPRIATION TO RESERVE:

The Board of Directors does not recommend any dividend for the financial year 2023-24.

As per the applicability of IND AS, Reserves are reflected as Retained Earnings under the head 'Other Equity' in Financial Statements and your Company has a balance of ₹6,031.09 Lakhs in Retained Earnings as on March 31, 2024.

4. SHARE CAPITAL/ DEMATERIALISATION:

The Authorized Share Capital and the Paid-up Share Capital of the Company as on 31st March 2023 is ₹217.05 Crore comprising of 21,70,50,000 Equity Shares of ₹10/- each and ₹173 Crore comprising of 17,30,00,000 Equity Shares of ₹10/- each, respectively. During the year under review, there was no change in the share capital of your Company and Ircon International Limited (IRCON) continues to hold 100% paid-up share capital of IrconDHL.

As per Rule 9A of the Companies (Prospectus and Allotment of Securities) Amendment Rules, 2019 dated 22.01.2019, the Company being a wholly owned subsidiary (WOS) is not required to get its securities in dematerialised form.

5. CASH FLOWS FROM THE PROJECT:

The total -Cash Flows from the project activities during the year is ₹1,065.38 Lakh.

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

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

7. BOARD OF DIRECTORS & KEY MANAGEMENT PERSONNEL:

Board of Directors:

CATEGORY & NAME OF THE DIRECTORS WITH DESIGNATION DURING THE YEAR 2023-24

During the year under review, the holding Company [IRCON] had nominated Shri Yogesh Kumar Misra [having DIN: 07654014], as the Chairman / Part-time Director (Additional Director) of your Company, vice Shri Devendra Kumar Sharma w.e.f. February, 01, 2024. Shri Devendra Kumar Sharma ceased to be the Director of your Company consequent to withdrawal of nomination by the holding Company [IRCON] w.e.f. January, 31, 2024.

Ms. Aradhana Garg, JGM/Finance, IRCON (DIN: 10477168), was nominated as Part-time Director (Additional Director) of your Company w.e.f. January 23, 2024 in terms of letter issued by the holding Company [IRCON].

As per Articles of Association of the Company, the Board of the Company is appointed by the holding company, IRCON. As on 31.03.2024, total no. of Directors is Four (4) including Chairman and all the directors are nominated by the Holding Company. During the FY 2024, Company's management is headed by the following Non-Executive (Nominee) Directors: -

Category, Name & Designation	DIN	Appointment or Cessation (during the year, if any)
Mr. Devendra Kumar Sharma, Chairman	08556821	Cessation w.e.f. 31.01.2024
Mr. Yogesh Kumar Misra, Chairman	07654014	Appointed w.e.f. 01.02.2024
Mr. Masood Ahmad, Director	09008553	-
Mr. Rohit Parmar, Director	08190141	Cessation w.e.f. 24.04.2024
Ms. Ritu Arora, Director	00002455	Cessation w.e.f. 16.11.2023
Ms. Aradhana Garg	10477168	Appointment w.e.f. 23.01.2024

Mr. Yogesh Kumar Misra, Director (DIN: 07654014), Ms. Aradhana Garg, Director, (DIN:10477168) were appointed as Additional Part-time Directors of the Company w.e.f. 1st February 2024 and 23rd January 2024 respectively, who holds their office upto the date of ensuing Annual General Meeting and their appointments are proposed to be regularized at the ensuing AGM of the Company and has been included in the notice of ensuing AGM.

After closure of the FY, the Holding Company, IRCON had nominated Mr. Rabindra Kumar Jaiswal, CGM/ Finance/ Tax, IRCON, (DIN No. 10610969) as Nominee Director w.e.f. 30th April 2024 in place of Mr. Rohit Parmar.

The Company has received a notices under section 160 of the Companies Act, 2013 from Mr. Yogesh Kumar Misra, Mr. Rabindra Kumar Jaiswal and Ms. Aradhana Garg giving their candidature for appointment as Directors, liable to retire by rotation, in the ensuing Annual General Meeting.

During the year, Mr. Devendra Kumar Sharma, Mr. Rohit Parmar and Ms. Ritu Arora, ceased to be Directors of the Company and the Board placed on record its appreciation for their valuable contribution and guidance and support given by them during their tenure as Directors of the Company.

Mr. Masood Ahmad, Director (DIN 09008553) retires by rotation and being eligible, offers himself for re-appointment. A resolution seeking shareholders' approval for her re-appointment along with other required details forms part of the Notice.

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

Key Managerial Personnel:

Pursuant to the provisions of Section 203 of the Companies Act 2013, the Key Managerial Personnel (KMP) of the Company during the FY 2024 are as follows:

Name	Designation
Mr. Goutam Kumar Mishra	Chief Executive Officer
Mr. Mahadeb Mandal	Chief Financial Officer
Mr. Pradeep Kumar Baisoya	Company Secretary

8. Board Meetings:

During the FY 2023-24, the Board met Five (5) times on 12.05.2023, 01.08.2023, 12.10.2023, 02.11.2023 and 31.01.2024. The interval between the Board Meetings was within the period prescribed under the Companies Act, 2013. The attendance detail of the Board Meetings is as follows:

Date of The Meeting	Board Strength	No. of Directors Present
12.05.2023	4	4
01.08.2023	4	4
12.10.2023	4	3
02.11.2023	4	4
31.01.2024	4	4

The table below shows attendance of the Board members at the Board Meetings held during the FY 2023-24 and their attendance in the last Annual General Meeting (AGM):

Name of Director	Meeting Date					Whether attended last AGM held on 04.08.2023	Total Meetings held during the tenure	No. of Meetings attended	% of Attendance
	12.05.2023	01.08.2023	12.10.2023	02.11.2023	31.01.2023				
Mr. Devendra Kumar Sharma (upto 31.01.2024)	✓	✓	✓	✓	✓	✓	6	6	100
Ms. Ritu Arora (upto 16.11.2023)	✓	✓	✓	✓	-	✓	6	6	100
Mr. Masood Ahmad	✓	✓	x	✓	✓	✓	6	5	67

Mr. Rohit Parmar	✓	✓	✓	✓	✓	-	5	5	100
Ms. Aradhana Garg (w.e.f 23.01.2024)	-	-	-	-	✓	-	1	1	100
Mr. Yogesh Kumar Misra (w.e.f. 01.02.2024)	-	-	-	-	-	-	-	-	-

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

In terms of notification dated July 5, 2017 issued by the Ministry of Corporate Affairs (MCA) inter-alia amending rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014, an unlisted public company and a wholly-owned subsidiary is exempted from the requirement of appointing Independent Directors on its Board and requirement of constituting of the Board Committees viz. Audit Committee and Nomination & Remuneration Committee (NRC).

IrconDHHL, an unlisted public company and a wholly-owned subsidiary company of IRCON, is, therefore, not required to appoint any Independent Director on its Board and the declaration by the Independent Directors is not applicable on the Company.

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

10. DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms:

- that in the preparation of the annual financial statements for the year ended 31st March 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that such accounting policies have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year March 31, 2024 and of the Profit & Loss of the Company for that period ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual financial statements have been prepared on a going concern basis;

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

11. DIRECTORS' OBSERVATION AND COMMENTS FOR FINANCIAL STATEMENTS
(EXPLANATION FOR ANY COMMENTS MADE BY AUDITORS IN THEIR REPORT:

The Notes to Accounts forming part of the financial statements are self-explanatory and need no further explanation.

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification/explanation.

12. AUDITORS:

Statutory Auditor:

M/s G A C S & Associates, Chartered Accountants, had been appointed as Statutory Auditors, for the Financial year 2023-24 vide CAG letter No. CA. V/COY/ Central Government, IDHHL(I)333 dated 13.09.2023. They have confirmed by way of a written consent and certificate as required under Section 139(1) of the Companies Act, 2013.

Cost Auditor:

The Board of Directors had reappointed M/s. Ravi Sahni & Co., Cost Accountants, as Cost Auditor of the Company for the FY 2023-24 for conducting the audit of cost records maintained by the Company as per the applicable Rules / Guidance Note, etc.

In accordance with the provisions of Section 148(1) of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, the Company has maintained cost accounts and records.

Secretarial Auditor:

The Board of Directors had re-appointed M/s. Jayesh Parmar & Associates, Company Secretary, as Secretarial Auditor of the Company for the FY 2023-24.

Internal Auditor:

The Board of Directors had appointed M/s Singhal Sunil & Associates, Chartered Accountants, as Internal Auditors for the FY 2023-24, to conduct the Internal Audit of the Company.

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

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

14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

During the year, the related party transactions with the holding company, IRCON were in the ordinary course of business and on an arm's length basis and approved in terms of the Companies Act 2013. The details of the related party transactions in form AOC-2 are enclosed to this report as **Annexure-1**.

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

No material changes and commitments affecting the financial position of the Company had occurred in the interval between the end of the financial year and the date of this report.

16. CORPORATE SOCIAL RESPONSIBILITY (CSR):

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

Since, the net profit of the Company for the financial year ended March 31, 2023 was ₹26.37 Crore which exceeds the above mentioned threshold limit, therefore, the provisions of CSR under Section 135 of the Companies Act, 2013 was applicable on the Company from FY 2023-24.

In terms of the provisions of sub-section (9) of section 135 of the Companies Act, 2013, where the amount to be spent by a company does not exceed Rs.50 lakhs, the requirement for constitution of the CSR Committee shall not be applicable on the Company. During the period under review, the CSR budget of the Company was Rs.29.30 Lakhs. Therefore, the requirement for constitution of CSR Committee pursuant to Section 135 of the Companies Act, 2013 was not applicable to the Company.

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

- i) to provide 03 nos. True lab Duo set at the cost of Rs.7,72,800/- (including GST) each & 01 no. of True lab UnoDx set at the cost of Rs.5,82,400/- (including GST).
- ii) to provide 40 nos (1 set) Mycobacterium tuberculosis kits(MTB) amounting to Rs.31,360/- (including GST)

for establishing the Rapid Molecular Test Lab (True Naat Laboratories) for TB Control under National Tuberculosis Elimination Programme (NTEP) monitored through District Tuberculosis Office, at Haveri location with the total estimated cost of Rs.29,32,160 (including GST).

The Annual report on CSR activities required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out as Annexure-2 forming part of this report.

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

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

A. Conservation of energy: -

Your Company is not engaged in any manufacturing activity and hence the furnishing of particulars is not applicable to the Company.

B. Technology absorption: -

Your Company is not engaged in any manufacturing activity and hence the furnishing of particulars is not applicable to the Company.

C. Foreign exchange earnings and Outgo: -

There was no Foreign Exchange Earnings and Foreign Exchange Outgo during the year 2023-24.

18. RISK MANAGEMENT:

In the opinion of the Board, presently the Company does not foresee any major threat/risk to the business of the Company.

19. PARTICULARS OF EMPLOYEES:

As per Notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with the provisions of Section 197 of the Companies Act, 2013 and corresponding rules under Chapter XIII.

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

20. CHANGE IN THE NATURE OF BUSINESS:

There is no change in the nature of business of the Company during the financial year 2023-24.

21. PUBLIC DEPOSITS:

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

22. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate system of internal financial controls with reference to financial statements. All the transactions were properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of account and reporting in the financial statements. Your Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

23. SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

No order has passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future during the FY 2023-24.

24. COMPLIANCE OF MSME GUIDELINES FOR IMPLEMENTATION OF PURCHASE PREFERENCE POLICY

In exercise of powers conferred by section 9 of the Micro, Small and Medium Enterprise Development Act, 2006, the Central Government issued instructions that all companies registered under the Companies Act, 2013 with a turnover of more than ₹500 Crore and all CPSEs shall be required to get themselves on-boarded on the Trade Receivables Discounting System (TReDS) platform, set up as per the notification of the Reserve Bank of India. The Registrar of Companies (RoC) in each State shall be the competent authority to monitor the compliance of such instructions and also the Department of Public Enterprises, Government of India shall be the competent authority to monitor the compliance of such instructions by the CPSEs. In compliance with the above instruction, the Company has boarded on the TReDS platform w.e.f. 13.12.2019, to facilitate the financing of trade receivables of MSEs by discounting of their receivables and realisation of their payment before the due date.

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

During the period under review, there was no complaint pending at the beginning nor any complaint relating to sexual harassment was reported pursuant Section 22 of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company, being a wholly owned subsidiary of IRCON, 'Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Workplace' of IRCON (POSH Policy) is applicable on the Company and the Internal Complaints Committee of IRCON will deal with all the complaint, if any, under POSH Act.

26. VIGIL MECHANISM:

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

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

Mr. Masood Ahmad, Director

Ircon Davanagere Haveri Highway Limited (IrconDHHL)

Address: Ircon International Limited,

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

Phone No.: +919560595062

Email id: masood.ahmad@ircon.org

27. RIGHT TO INFORMATION:

No application under Right to Information Act, 2005 has been received by the company during the FY 2023-24, however, RTI application transferred from DPE was duly replied during the FY 2023-24.

28. PERFORMANCE EVALUATION OF BOARD MEMBERS:

Ministry of Corporate Affairs has, vide its notification dated 5th June 2015, notified the exemptions to Government Companies from certain provisions of the Companies Act, 2013 which inter-alia provides that Section 134(3)(p) regarding a statement indicating the manner of formal annual evaluation of Board, shall not apply to Government Companies in case the Directors are

evaluated by the Ministry which is administratively in charge of the Company as per its evaluation methodology.

Further, the aforesaid circular issued by the MCA has also exempted that sub-sections (2), (3) & (4) of Sec. 178 regarding the appointment, performance evaluation and remuneration shall not apply to Directors of Government Companies.

Being a government company and a wholly-owned subsidiary of Ircon International Limited, all part-time Directors are nominated by the holding company, IRCON. The evaluation of these nominated directors is done by the holding company as per pre-defined criteria in line with the guidelines of the Government of India.

29. SECRETARIAL STANDARDS

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

30. SECRETARIAL AUDIT REPORT

The “Secretarial Audit Report” from the secretarial auditor in Form MR-3 as required under section 204 of the Companies Act, 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and is placed as **Annexure-3**.

31. STATUTORY AUDITORS’ REPORT AND C&AG COMMENTS

The reports of the Statutory Auditors on the Financial Statements for FY 2023-24 with nil observation are attached separately as part of the Annual Report along with No review certificate from Comptroller & Auditor General of India (C&AG) for the FY 2023-24.

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

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

33. MEMORANDUM OF UNDERSTANDING (MoU):

Pursuant to the provision of Consolidated Memorandum of Understanding (MoU) Guidelines dated 10th March, 2023 of Department of Public Enterprises (DPE), Companies, that are subsidiary company of a CPSE, will sign Annual MoU with its holding company and holding company is free to take a decision regarding exemption from MoU for its subsidiary companies and process of exemption shall ordinarily be completed by 31st of March of the base year.

In line with the MoU Guidelines of DPE, IRCON vide its letters dated 21st March, 2024 has granted exemption to the Company from entering into MoU for the financial year 2024-25.

34. ACKNOWLEDGEMENT:

We thank Ircon International Limited, Ministry of Road Transport & Highways, Comptroller and Auditors General of India (C&AG), Auditors and our valued client- National Highway Authority of India for their support, and look forward to their continued support in the future.

We thank our Contractors, Sub-contractors, Bankers, for their continued support during the year. We also place on record our appreciation for the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

Date: 02.08.2024

Place: New Delhi

**For and on behalf of Board of Directors
of Ircon Davanagere Haveri Highway Limited**

Sd/-

Yogesh Kumar Misra

Chairman

DIN: 07654014

FORM NO. AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto for the period ending in 31.03.2024

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

Sr. No.	Nature of contracts or arrangements or transactions	Duration of the contracts or arrangements or transactions	Salient terms of the Contracts or Arrangements or Transactions including the value, if any	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
1.	EPC Agreement (For Appointing Ircon International Limited as EPC Contractor for execution of project works of "Six Laning of Davanagere Haveri from km 260+000 to km 338+923 of NH-48(Old NH-4) in the state of Karnataka")	Date: EPC Agreement dated 04.01.2018 Duration: Completion period is 30 months from Appointed date or handing over of land by the Company to IRCON whichever is later. Further, extended up to 31.10.2024.	Consideration: Rs.916.93 Crore plus GST @12%.	August 10, 2021, February 20, 2018 & November 9, 2017	NIL (As on Date)
2.	Lease Agreement (To take on lease the Office Premises of IRCON)	Estimated duration: 2 years (1.04.2023 to 31.03.2025)	Lease Agreement executed on 5 th April 2023 for the period 01.04.2023 to 31.03.2025 at monthly rent of Rs. 23,359/- plus GST	March 22, 2023 (Resolution by Circulation)	NIL (As on Date)

For and on behalf of Board of Directors
of Ircon Davanagere Haveri Highway Limited

Date: 02.08.2024
Place: New Delhi

Sd/-
Yogesh Kumar Misra
Chairman
DIN: 07654014

Annual Report on CSR & Sustainability**1. Brief outline on CSR Policy of the Company.**

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

Ircon Davanagere Haveri Highway Limited (IrconDHHL) is committed to undertake CSR activities in accordance with provision of Section 135 of Companies Act, 2013 ("the Act") and Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules"), as amended time to time and DPE Guidelines, 2014 (hereinafter collectively referred to as "CSR laws"), with the former taking precedence over the later in case of any conflict.

The Company shall allocate the budget for CSR activities. The minimum budgeted amount for a financial year shall be 2% of the average net profit (as defined under CSR Rules) of three immediate preceding financial years. The Company may allocate more fund for the CSR activities in any financial year than the amount prescribed under the Act.

The Company shall undertake CSR activities as per Schedule VII of the Act through following three modes of implementation:

- (a) Implementation by the Company itself;
- (b) Implementation through eligible implementing agencies as prescribed in CSR Rules;
- (c) Implementation in collaboration with one or more companies as prescribed in CSR Rules.

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

- i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any.
- ii) the Board shall pass a resolution to that effect.

2. Composition of CSR Committee: As Company is not required to constitute a CSR Committee as the CSR expenditure does not exceeding Rs.50 Lakhs.

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

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

Not applicable for this financial year. Further, none of the Completed CSR activities taken up during FY 2023-24 were Rs.1 crore or above for which impact assessment is required.

5. (a) Average net profit of the company as per sub-section (5) of section 135: Rs.1465 Lakhs.

(b) Two percent of average net profit of the company as per section 135(5): **Rs.29.30 Lakhs**

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

(d) Amount required to be set off for the financial year, if any: Nil

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: **Rs.29.30 Lakhs**

6.

(in Lakhs)

(a) Amount spent on CSR Projects (both Ongoing Projects and other than Ongoing Projects).	Rs.29.32
(b) Amount spent in Administrative Overheads :	Nil
(c) Amount spent on Impact Assessment, if applicable. :	Nil
(d) Total amount spent for the Financial Year [(a)+(b)+(c)]:	29.32

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

(in Lakhs)

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

(f) Excess amount for set off, if any

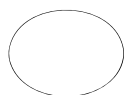
Sl. No.	Particular	Amount (Rs. in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	29.30
(ii)	Total amount spent for the Financial Year	29.32
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.02
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.02

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

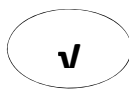
1	2	3	4	5	6	7	8
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Sl. No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs.)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs.)	Deficiency, if any
					Amount (in Rs.)	Date of Transfer		
1	2020-21	Nil						
2	2021-22							
3	2022-23							
		Nil						

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



Yes



No

If yes, enter the number of Capital assets created/acquired:- **No. of assets has created.**

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

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

**For and on behalf of Board of Directors
of Ircon Davanagere Haveri Highway Limited**

**Date: 02.08.2024
Place: New Delhi**

**Sd/-
Yogesh Kumar Misra
Chairman
DIN: 07654014**



ANNEXURE TO THE DIRECTORS' REPORT
Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To
The Members,
M/s. **IRCON DAVANAGERE HAVERI HIGHWAY LIMITED**
Regd. Office: Plot No. C-4, District Centre, Saket
New Delhi-110017

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by **IRCON DAVANAGERE HAVERI HIGHWAY LIMITED** having CIN: U45500DL2017GOI317401 (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended **31st March, 2024**, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2024** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) Secretarial Standards issued by The Institute of Company Secretaries of India: ***Applicability of SS-1 and SS-2;***
- (iii) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of foreign Direct Investment, Overseas Direct Investment, External Commercial Borrowings; wherever applicable, if any,

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We report that:

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and on shorter notice with the consent of Directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

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

For **Jayesh Parmar & Associates**
Company Secretaries

Place: New Delhi
Date: May 06, 2024
UDIN: A027055F000313101

(Proprietor)
ACS No.:27055
C.P No.:15007

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

Annexure A

To

The Members

M/s. **IRCON DAVANAGERE HAVERI HIGHWAY LIMITED**

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Jayesh Parmar & Associates

Place: New Delhi

Date: May 06, 2024

(Proprietor)

ACS No.:27055

C.P No.:15007

G A C S & Associates
Chartered Accountants

124, SF, Defence Enclave,
Vikas Marg,
New Delhi 110092
Mobile: 9313006697
Phone: 8368750617
Email: shashifca@gmail.com

INDEPENDENT AUDITOR'S REPORT

To the Members of
IRCON DAVANAGERE HAVERI HIGHWAY LIMITED,
C – 4, District Centre,
Saket, New Delhi (IN) – 110 017

Report on the Audit of the Standalone Financial Statement

We have audited the accompanying Standalone Financial Statements of IRCON DAVANAGERE HAVERI HIGHWAY LIMITED ("the Company") which comprises the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the period then ended and Notes to the Financial Statements including a summary of material accounting policies and other explanatory information (herein after referred to as "Standalone Financial Statements").

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the profit and total comprehensive income, changes in equity and its cash flows for the period ended on the date.

Basis for Opinion

We conducted our audit of the Standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on



these matters.

We have determined the matter(s) described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the matter
<p><u>Revenue Recognition in terms of Ind AS 115 "Revenue from Contracts with Customers"</u></p> <p>The Company recognizes revenue for a performance obligation satisfied over time after estimating its progress towards complete satisfaction of the performance obligation. The recognition of revenue requires assessments and judgments to be made on changes in work scope (de-scoping, re-scoping), claims (compensation, rebates etc.) and other payments to the extent performance obligation is satisfied. The company measures the performance obligation by applying input method.</p> <p>During order fulfillment, contractual obligations may need to be reassessed. In addition, change orders or cancellations have to be considered. As a result, total estimated project costs may exceed total contract revenues and therefore require immediate recognition of the expected loss.</p> <p>Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.</p> <p>Further, the explanation why we consider this as a Key Audit Matter is as follows:</p> <p>The application of the revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized at a point in time or over time. Additionally, revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods</p>	<p>Our audit procedures included considering the appropriateness of the Company's revenue recognition accounting policies and assessing compliance with the policies in terms of the applicable accounting standards.</p> <p>We performed following substantive procedures:</p> <ul style="list-style-type: none"> • Read, analyzed and identified the distinct performance obligations in the contract. • Compared the performance obligations with that identified and recorded by the Company. • Checked whether the performance obligation is being satisfied over the period of time or at a point in time. • Performed analytical procedures for reasonableness of revenues disclosed.



<p>over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>For details refer Note 27 to the Standalone Ind AS Financial Statements.</p>	
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Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's annual report but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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. *Since we have not been provided with the copy of the Board Report, we are unable to comment on that.*

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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



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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the Standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with



them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), and the Cash Flow Statement and the Statement of Change in Equity dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. Being a government company, provision of section 164(2) of the Act are not applicable pursuant to the notification No. G.S.R.463(E) dated 5th June 2015, issued by the Central Government of India.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
 - g. Being a government company, provision of section 197 of the Act are not applicable vide notification no. GSR 463 (E) dated 5th June 2015, issued by the Central Government of India.
 - 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:
 - i. The Company does not have any pending litigations which would have a material impact on its financial position.
 - ii. Based on the assessment made by the Company, there are no material foreseeable losses on long-term contracts that may require any provisioning.



The Company did not have any derivative contracts for which there were any material foreseeable losses.

- iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("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 Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company 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;

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

- v. The Company has not proposed, declared or paid any final or interim dividend during the period and until the date of this report, therefore, the reporting under clause is not applicable.
- vi. Based on our examination, which include test checks, the company has used an accounting software (SAP) for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility and same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tempered with.

As Proviso to Rule 3(1) of the companies (Accounts) Rules 2014 is applicable from April 1 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rule 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024 being first year of its applicability.

- 3. As required by Section 143(5) of the Act and as per directions issued by Comptroller and Auditor General of India, we report that:



S.No	Directions	Auditor's Replies
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the Integrity of the accounts along with the financial implications, if any, may be stated.	Company is using SAP system to process all the accounting transactions. As per the information and explanation provided to us no accounting transactions have been processed outside the IT System except income billing for which no financial implication were observed.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts / loans / interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	No; Company is having no case of any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan.
3.	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation	According to the information and explanation given to us and as per our examination of records, no funds have been received/receivable for any specific scheme from Central/State Government or its agencies during the period from 1 st April 2023 to 31 st March 2024.

For **G A C S & ASSOCIATES**
CHARTERED ACCOUNTANTS
FRN: 005193N

(**CA. SHASHI GUPTA**)
PARTNER
M. No. : 084110
UDIN :
Place : New Delhi
Date : May 10, 2024



24084110BKGW0UG0S1

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Ircon Davanagere Haveri Highway Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of Company's Fixed Assets:

- (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The company is not having any intangible assets; hence this clause is not applicable.
- (c) According to the information and explanations given to us, the Fixed Assets have been physically verified by the management in a phased manner at reasonable intervals, and no material discrepancies were noticed on such verification. Further, there is a regular program of verification, which in our opinion, is reasonable having regard to the size of the company and nature of its business.
- (d) The company does not own any immovable properties during the period of audit.
- (e) The Company has not revalued its Property, Plant and Equipment (including right of use of assets) or intangible asset of both during the financial year;
- (f) According to information and explanations given to us, no proceedings have been initiated or pending against company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder during the year.

ii. In respect of Inventories:

The Company does not have any inventory and has no working capital limits in excess of Rs 5 Crores in aggregate at any points of time during the period, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii) of the Order is not applicable.

- iii. According to information and explanations given to us by the management and records produced before us, the Company has not made investments in, provided any guarantee or security, granted any loan or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships, and any other parties covered in the register required under section 189 of the Companies Act, 2013, during the period. Hence reporting under Paragraph 3(iii) of the order is not applicable to the Company.

- iv. In our opinion and according to information and explanations given to us by the management and records produced before us, the Company has not granted loans or provided any guarantees or given any security or made any investment to which the provisions of section 185 and 186 of the Companies Act 2013 are attracted. Accordingly, paragraph 3(iv) of the order is not applicable to the Company.

- v. In our opinion and according to information and explanations given to us by the management and records produced before us, the Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

- vi. The Company has maintained cost records as required under section 148(1) of the Companies Act, 2013. However, we are neither required to carry out, nor have carried out any detailed examination of such accounts and records.

vii. In respect of statutory dues:

- (a) The Company is regular in depositing undisputed statutory dues, including Provident Fund, Income Tax, goods and service Tax, Sales tax, service tax, duty of Custom, duty of Excise, Value Added Tax, Cess and any other statutory dues applicable with the appropriate authorities. Employees State Insurance is not applicable to the Company. According to the information and explanation given



to us and based on audit procedures performed by us, there are no undisputed statutory dues, other than as stated below, which were outstanding as on 31.03.2024 for a period of more than six months from the date the same become payable.

- (b) Details of Statutory dues referred to in sub-clause (a) above which have not been deposited as on 31.03.2024 on account of dispute are given below:

S.No	Name of the Statute	Nature of the Dues	Amount (in lacs)	Period to which the amounts related FY	Forum where Dispute is pending
1	Income Tax	Income Tax	225.62	2021-22	CIT(A)
2	Income Tax	Income Tax	121.58	2022-23	CIT(A)

- viii. According to the information and explanation given to us, and as per examination of records of the Company, in our opinion, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. **In respect of loans and borrowings taken by the Company:**

- (a) Based on our review of accounts and as per information provided, the Company has not defaulted in repayment of loans or other borrowing or in the payment of interest thereon during the year under audit.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanation given to us, the Company has applied term loan for the purpose for which loans were obtained.
- (d) According to the information and explanation given to us, funds raised on short- term basis, have not been used during the period for long-term purposes by the Company.
- (e) According to the information and explanation given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanation given to us, the company has not raised loans during the year on the pledge of securities held in subsidiaries, Joint Ventures and associate companies hence reporting on clause 3(ix)(f) of the Order is not applicable.

x.

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

xi.

- (a) According to information and explanation given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the period.

- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central



Government, during the period and upto the date of this report.

(c) No whistle blower complaints received by the Company during the period (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.

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

xiii. According to the information and explanation given to us, and based on our examination of records of the Company, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv.

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

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

xv. According to the information and explanation given to us, and based on our examination of records of the Company, during the period the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi.

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

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

xvii. The Company has not incurred cash losses during the period covered by our audit.

xviii. There has been no resignation of the statutory auditors of the Company during the period.

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

xx.

(a) There is no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects for requiring a transfer to a fund specified in schedule VII to the companies Act in



compliance with second proviso to sub section (5) of section 135 of the said Act. Accordingly reporting under clause 3(xx)(a) of the order is not applicable for the period.

(b) There is no amount remaining unspent under sub- section (5) of section 135 of the Companies Act, pursuant to ongoing project for the period. Accordingly reporting under clause 3(xx)(b) of the order is not applicable for the period.

xxi. The Company does not have investment in subsidiaries, associates or joint ventures and therefore, company is not required to prepare consolidated financial statements. Accordingly reporting under clause 3(xxi) of the order is not applicable.

For G A C S & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 005193N


(CA. SHASHI GUPTA)

PARTNER

M. No. : 084110

UDIN :

Place : New Delhi

Date : May 10, 2024



24 084110 BKGWOU 6051

Annexure B" to the Independent Auditors' Report of even date on the Standalone Financial Statements of Ircon Davanagere Haveri Highway Limited for the period ended 31st March, 2024

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

We have audited the internal financial controls over financial reporting of IRCON DAVANAGERE HAVERI HIGHWAY LIMITED ("the Company") as of March 31st 2024 in conjunction with our audit of the financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial



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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, "based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For **G A C S & ASSOCIATES**
CHARTERED ACCOUNTANTS
FRN: 005193N


(**CA. SHASHI GUPTA**)
PARTNER
M. No. : 084110
UDIN :
Place : New Delhi
Date : May 10, 2024



24084110 BKGW0UG051

IRCON DAVANAGERE HAVERI HIGHWAY LIMITED
CIN- U45500DL2017GOI317401
BALANCE SHEET AS AT 31ST MARCH 2024

All amounts in Lakh unless otherwise stated

Particulars	Note No.	As at 31st March 2024	As at 31st March 2023
I. ASSETS			
1 Non-current assets			
(a) Property, Plant and equipment	3	103.23	115.98
(b) Financial Assets			
Other financial assets	4	41,351.59	41,805.33
Total		41,454.82	41,921.31
2 Current Assets			
(a) Financial Assets	5		
(i) Trade Receivables	5.1	2,234.41	3,737.02
(ii) Cash and Cash Equivalent	5.2	4,181.60	1,433.87
(iii) Bank Balances other than (ii) above	5.3	5,376.00	6,224.00
(iii) Loans	5.4	1.63	-
(iv) Other financial assets	5.5	5,239.00	4,811.72
(b) Current Tax Asset (Net)	14	224.72	-
(c) Other Current Assets	6	2,414.39	3,669.56
Total		19,671.75	19,876.17
Grand Total		61,126.57	61,797.48
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	7	17,300.00	17,300.00
(b) Other Equity	8	7,417.10	5,029.27
Total		24,717.10	22,329.27
2 Liabilities			
(i) Non-Current Liabilities			
(a) Financial Liabilities	9		
(i) Borrowings	9.1	32,217.45	34,729.61
(ii) Other financial liabilities	9.2	32.06	30.68
(b) Deferred Tax Liabilities (Net)	10	2.37	1.75
Total		32,251.88	34,762.04
(ii) Current liabilities			
(a) Financial Liabilities	11		
(i) Borrowings	11.1	2,512.00	2,512.00
(ii) Trade payables	11.2		
- Total Outstanding Due of Micro and Small Enterprises and		20.51	46.36
- Total outstanding dues of creditors other than micro enterprises and small enterprises.		863.59	9.04
(iii) Other Financial Liabilities	12	368.54	1,973.74
(b) Other Current Liabilities	13	392.95	20.74
(c) Current Tax liability (Net)	14	-	144.29
Total		4,157.59	4,706.17
Grand Total		61,126.57	61,797.48
III. Summary of Material Accounting policies	2		
IV. Notes forming part of financial statements	1 - 37		

As per our Report of even date attached

G A C S & Associates

Chartered Accountants

ICAI Firm Reg. No. : 005193N

CA Shashi Gupta

Partner

ICAI Membership No. 084110

Place : New Delhi

Date : 10.05.2024


For and on behalf of Board of Directors
Ircon Davanagere Haveri Highway Limited

Yogesh Kumar Misra

Director

DIN-07654014

Pradeep Baisoya

Company Secretary

Goutam Kumar Mishra

Chief Executive officer

Masood Ahmad

Director

DIN-09008553

Mahadeb Mandal

Chief Financial Officer

IRCON DAVANAGERE HAVERI HIGHWAY LIMITED
CIN- U45500DL2017GOI317401
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2024

All amounts in Lakh unless otherwise stated

S.No.	Particulars	Note No.	For the year ended 31st March 2024	For the year ended 31st March 2023
I.	Revenue :			
	Revenue from operations	15	6,874.92	1,975.25
II.	Other income	16	6,322.48	5,683.19
III.	Total Income (I + II)		13,197.40	7,658.44
IV.	Expenses:			
	Project Expenses	17	6,731.38	1,192.13
	Employee benefits expenses	18	84.13	76.79
	Finance costs	19	3,109.81	2,887.88
	Depreciation and Amortization Expenses	20	15.91	12.40
	Other Expenses	17	43.50	18.06
	Total Expenses (IV).		9,984.73	4,187.26
V.	Profit/(Loss) Before exceptional items and Tax (III - IV)		3,212.67	3,471.18
VI.	Exceptional items		-	-
VII.	Profit/(Loss) before tax (V + VI)		3,212.67	3,471.18
VIII.	Tax expenses:	10		
	(1) Current tax			
	- For the Period		821.40	832.28
	- For earlier years (net)		2.83	0.11
	(2) Deferred tax (net)		0.62	1.75
	Total Tax Expense		824.85	834.14
IX	Profit/(Loss) for the period from continuing operation (VII - VIII)		2,387.82	2,637.04
X	Other Comprehensive Income			
	A. (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income Tax relating to Items that will not be reclassified to profit or loss		-	-
	B. (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income Tax relating to Items that will be reclassified to profit or loss		-	-
			-	-
XI	Total Comprehensive Income for the period (IX + X) (Comprising profit/(Loss) and other comprehensive income for the year, net of tax)		2,387.82	2,637.04
XII	Earnings Per Equity Share: (For Continuing Operation)	21		
	(1) Basic (In Rs)		1.38	1.52
	(2) Diluted (In Rs)		1.38	1.52
	Face Value Per Equity Share (In Rs)		10.00	10.00
XIII	Summary of Material Accounting policies	2		
XIV	Notes forming part of financial statements	1 - 37		

As per our Report of even date attached

G A C S & Associates

Chartered Accountants

ICAI Firm Reg. No. : 005193N

CA Shashi Gupta

Partner

ICAI Membership No. 084110

Place : New Delhi

Date : 10.05.2024


For and on behalf of Board of Directors

Ircon Davanagere Haveri Highway Limited

Yogesh Kumar Misra

Director

DIN-07654014

Pradeep Baisoya

Company Secretary

Masood Ahmad

Director

DIN-09008553

Goutam Kumar Mishra

Chief Executive officer

Mahadeb Mandal

Chief Financial Officer



IRCON DAVANAGERE HAVERI HIGHWAY LIMITED

CIN- U45500DL2017GOI317401

Statement of Cash Flow for the year ending 31st March 2024

All amounts in Lakh unless otherwise stated

Particulars		As at 31st March 2024	As at 31st March 2023
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before taxation		3,212.67	3,471.18
Adjustment for :			
Interest Income		(6,319.79)	(5,664.83)
Depreciation, amortization and impairment		15.91	12.40
Profit on Sale of Property, Plant & Equipment's		(2.56)	-
Interest Expenses and Other Finance Cost		3,109.81	2,887.87
Operating Profit before Current /Non-Current Assets and Liabilities	(1)	16.04	706.62
Adjustment for :			
Decrease / (Increase) in Trade Receivables		1,502.60	(290.13)
Decrease / (Increase) in Non Current Financial Assets		453.73	4,191.20
Decrease / (Increase) in Loans & Other Current Financial Assets		(566.02)	(632.69)
Decrease / (Increase) in Loans & Other Current Assets		1,255.19	1,293.95
(Decrease) / Increase in Trade Payables		828.70	(1,702.00)
(Decrease) / Increase in Other Current Financial Liabilities		(1,605.20)	14.88
(Decrease) / Increase in Other Non Current Financial Liabilities		1.38	18.49
(Decrease) / Increase in Other Current Liabilities		372.20	(206.98)
Total of Working Capital Changes	(2)	2,242.58	2,686.72
Cash generated from operation	(1+2)	2,258.62	3,393.34
Income Tax Paid(net of refund)		(1,193.24)	(488.92)
NET CASH FROM OPERATING ACTIVITIES	(A)	1,065.38	2,904.42
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment including CWIP		(9.10)	(128.01)
Sale of Property, Plant and Equipment's		8.50	-
Interest Received		6,456.91	5,660.49
Bank balance other than cash and cash equivalents		848.00	(3,578.00)
NET CASH FROM INVESTING ACTIVITIES	(B)	7,304.31	1,954.48
CASH FLOW FROM FINANCING ACTIVITIES			
Loan From IRCON (Unsecured)		-	837.00
Repayment of Loan to PNB		(2,512.16)	(1,884.03)
Interest Expenses and Other Finance Cost		(3,109.80)	(2,887.87)
NET CASH FROM FINANCING ACTIVITIES	(C)	(5,621.96)	(3,934.90)
Effect of Exchange differences on translation of Foreign Currency		-	-
Cash & Cash Equivalents	(D)	-	-
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENT	(A+B+C+D)	2,747.73	924.00

Components of Cash Flow

CASH AND CASH EQUIVALENT (OPENING)	(E)	1,433.87	509.87
Balance with Banks			
- On current accounts		18.87	509.87
- Bank Deposits with original maturity of less than 3 months		1,415.00	-
CASH AND CASH EQUIVALENT (CLOSING)*	(F)	4,181.60	1,433.87
Cash Balances			
Balance with Banks			
- On current accounts		14.60	18.87
- Bank Deposits with original maturity of less than 3 months		4,167.00	1,415.00
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENT	(F - E)	2,747.73	924.00

* Earmarked Fund



IRCON DAVANAGERE HAVERI HIGHWAY LIMITED

CIN- U45500DL2017GOI317401

Statement of Cash Flow for the year ending 31st March 2024

All amounts in Lakh unless otherwise stated

Reconciliation of Liabilities arising from financing activities - Principal

Particulars	As at 31st March 2024		As at 31st March 2023	
	Loan From Holding Co.	Loan From Bank	Loan From Holding Co.	Loan From Bank
Opening Balance	4,713.00	32,528.61	3,876.00	34,412.64
Movement during the year				
Repayment of Borrowings	-	(2,512.16)	-	(1,884.03)
Borrowing taken During the year	-	-	837.00	
Closing Balance	4,713.00	30,016.45	4,713.00	32,528.61

Reconciliation of Liabilities arising from financing activities - Interest

Particulars	As at 31st March 2024		As at 31st March 2023	
	Interest on Loan From Holding Co.	Interest from Loan From Bank	Interest on Loan From Holding Co.	Interest from Loan From Bank
Opening Balance	-	-	-	-
Movement during the year				
Interest Accrued during the year	415.49	2,660.86	367.76	2,511.17
Interest Paid during the year	(415.49)	(2,660.86)	(367.76)	(2,511.17)
Closing Balance	-	-	-	-

1. The above Cash flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS) - 7 on Statement of Cash Flows.

2. Figures for the previous year/ period have been re-grouped / re-classified / re-casted to conform to the classification of the current year.

3. Figures in bracket () represents outflow of cash.

As per our Report of even date attached

G A C S & Associates

Chartered Accountants

ICAI Firm Reg. No. : 005193N

CA Shashi Gupta

Partner

ICAI Membership No. 084110

Place : New Delhi

Date : 10.05.2024



For and on behalf of Board of Directors

Ircon Davanagere Haveri Highway Limited

Yogesh Kumar Misra

Director

DIN-07654014

Pradeep Baisoya
Company Secretary

Goutam Kumar Mishra
Chief Executive officer

Masood Ahmad

Director

DIN-09008553

Mahadeb Mandal
Chief Financial Officer

IRCON DAVANAGERE HAVERI HIGHWAY LIMITED

CIN- U45500DL2017GOI317401

Statement Of Change In Equity As At 31st March 2024

All amounts in Lakh unless otherwise stated

A. Equity share capital

Particulars	"Balance at the beginning of the Reporting Period"	Changes due to Prior Period Errors	Restated Balance at the beginning of the Reporting Period	Changes in equity share	Balance at the end of Reporting Period
Balance as at March 31, 2023	17,300.00	-	17,300.00	-	17,300.00
Balance as at March 31, 2024	17,300.00	-	17,300.00	-	17,300.00

B. Other Equity

Particulars	Reserve & Surplus		Total
	Retained Earnings	Quasi Equity	
Balance as at April 1, 2022	1,006.23	1,386.00	2,392.23
Changes in accounting policy or prior period errors	-	-	-
Restated balance at the 1st April 2022	1,006.23	1,386.00	2,392.23
Profit for the year	2,637.04	-	2,637.04
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the period	3,643.27	1,386.00	5,029.27
Balance as at 31st March 2023	3,643.27	1,386.00	5,029.27
Changes in accounting policy or prior period errors	-	-	-
Restated balance at the 1st April 2023	3,643.27	1,386.00	5,029.27
Profit for the year	2,387.82	-	2,387.82
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the period	2,387.82	-	2,387.82
Balance as at 31st March 2024	6,031.09	1,386.00	7,417.09

As per our Report of even date attached

G A C S & Associates

Chartered Accountants

ICAI Firm Reg. No. : 005193N

CA Shashi Gupta

Partner

ICAI Membership No. 084110

Place : New Delhi

Date : 10.05.2024



For and on behalf of Board of Directors

Ircon Davanagere Haveri Highway Limited

Yogesh Kumar Misra

Director

DIN-07654014

Pradeep Baisoya

Company Secretary

Masood Ahmad

Director

DIN-09008553

Goutam Kumar Mishra

Chief Executive officer

Manadeb Mandal

Chief Financial Officer

Ircon Davanagere Haveri Highway Limited
Notes to financial statements for the year ended March 31, 2024

1. Corporate Information

Ircon Davanagere Haveri Highway Limited (IDHHL) is a wholly owned subsidiary of Ircon International Limited domiciled in India and is incorporated under the provisions of companies Act 2013 applicable in India. The company came into existence when, Ircon International Limited has been awarded the work of Six-Laning of Davanagere – Haveri from km 260+000 to km 338+923 of NH-48 (Old NH-4) in the state of Karnataka to be executed as Hybrid Annuity Project on DBOT Annuity Pattern under NHDP Phase – V in accordance with the terms and conditions in the agreement with National Highway Authority of India (NHAI) dated 19-06-2017. In pursuant to the provisions of 'Request for Proposal', the selected bidder 'Ircon International Limited' has formed a Special Purpose Vehicle (SPV) named Ircon Davanagere Haveri Highway Limited (IDHHL) as wholly owned subsidiary and incorporated under Companies Act, 2013 on 11th May 2017. Accordingly, SPV has signed the Concession Agreement with NHAI on 19th June 2017. In terms of the said agreement, IDHHL has an obligation to complete construction of the project of Six laning of Davanagere Haveri section and to keep the project assets in proper working condition including all projects assets whose lives have expired. Total Project cost is Rs 1177 crore (i.e. Bid Project cost). 40% of the Bid Project cost, adjusted for Price Index Multiple, shall and due and payable to the Concessionaire (IDHHL) in 5 equal instalments of 8% each during the construction period. The remaining Bid Project cost, adjusted for Price Index Multiple, shall be due and payable in 30 biannual instalments commencing from the 180th day of COD in accordance with the Provisions of clause 23.6 of the agreement which is Annuity payments during Operation Period. The Project is under Annuity pattern and will be under operation with the IDHHL for 15 years from the Commercial Operational Date (COD). The payments of the same, under Annuity model will be payable at the achievement of specific milestone as per the agreement.

NHAI vide its letter dated 19-07-2021 has de-scoped the work on main carriageway of 6.880 Kms, service road for a length of 49.848 Kms and project facilities (14 Nos. of Bus bays and Bus Shelters, 2 Nos. of Truck Lay Bys and 1 Rest Area). Accordingly, company has received Provisional Completion certificate with effect from May 28, 2021. However, NHAI vide its letter dated 16.11.2022 has Re-scoped the balance work which was De-scoped earlier. The registered office of the company located at C-4, District Centre, Saket, and New Delhi - 110017.

The financial statements are approved for issue by the company's Board of Directors in their meeting held on 10.05.2024.

2. Material accounting policies

Basis of preparation of Financial Statements

i. Statement of compliance

The Standalone Financial Statements of the Company have been prepared on going concern basis following accrual system of accounting and in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the standalone financial statements.

ii. Basis of measurement

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

- Certain financial assets and liabilities measured at fair value.



Ircon Davanagere Haveri Highway Limited
Notes to financial statements for the year ended March 31, 2024

iii. Functional and Presentation Currency

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

2.2 Summary of material accounting policies

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

2.2.1. Current and non-current classification

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

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

2.2.2. Property, plant and equipment

Property, plant and equipment are initially stated at their cost.

The cost of an item of property, plant and equipment includes:

(a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;

(b) Cost directly attributable to the acquisition of the asset which incurred in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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

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

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

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are



Ircon Davanagere Haveri Highway Limited
Notes to financial statements for the year ended March 31, 2024

included in profit or loss within other gains/(losses).

2.2.3. Impairment of non-financial assets

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

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

2.2.4. Revenue Recognition

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

i. Revenue from Service Concession Arrangement

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

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

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

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



Ircon Davanagere Haveri Highway Limited
Notes to financial statements for the year ended March 31, 2024

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to the existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if additional services are priced at the standalone selling price, or as a termination of existing contract and creation of a new contract if not priced at the standalone selling price.

Contract balances

Contract assets

If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. The portion of the payments retained by the customer until final contract settlement is not considered a significant financing component since it is usually intended to provide customer with a form of security for Company's remaining performance as specified under the contract, which is consistent with the industry practice.

Trade receivables

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

Contract liabilities

If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

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

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

Such financial assets are initially measured at fair value and subsequently at amortized cost using the Effective Interest Rate (EIR) method. Under this method, financial asset will be increased for the financing element and reduced as and when money is received from grantor.

ii. Other income

Interest income is recognized using Effective Interest rate method.

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



Ircon Davanagere Haveri Highway Limited
Notes to financial statements for the year ended March 31, 2024

2.2.5. Borrowing cost

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

2.2.6. Taxes

Tax expense comprises current tax and deferred income tax.

i. Current income Tax

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

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

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

ii. Deferred Tax

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

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

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

2.2.7. Employee Benefits

i. Short Term Employee Benefits

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

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



Ircon Davanagere Haveri Highway Limited
Notes to financial statements for the year ended March 31, 2024

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

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

The companies liability with respect to the long term employee benefit is limited to the extent of fixed contribution to be paid to the holding company. Actual settlement of the long term employee liability will be the responsibility of holding company.

The Contractual employees of the Company are not eligible for post employee benefits & other long term employee benefits.

2.2.8. Cash and cash equivalents

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

2.2.9. Contingent liabilities & contingent assets

Provisions

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

Provisions recognized by the Company include provisions for Maintenance, Demobilization, Legal Cases, Corporate Social Responsibility (CSR), Onerous Contracts and others.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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



Ircon Davanagere Haveri Highway Limited
Notes to financial statements for the year ended March 31, 2024

Onerous contracts

If the Company has a contract that is onerous, the present obligation under the contract is recognized and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

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

Contingent liabilities

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

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

Contingent assets

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

2.2.10. Leases

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

Company as a lessee

Short Term leases

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

2.2.11. Financial instruments

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

i. Financial assets

a) Initial recognition and measurement

All financial assets (excluding trade receivables which do not contain a significant financing component,



Ircon Davanagere Haveri Highway Limited
Notes to financial statements for the year ended March 31, 2024

being measured at transaction price) are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of financial asset. Transaction costs directly attributable to the acquisition of financial assets carried at fair value through profit or loss are expensed in statement of profit and loss.

b) Subsequent measurement

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

Financial assets at amortized cost

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

Impairment of financial assets

The Company applies the expected credit loss (ECL) model for recognizing impairment loss on financial assets measured at amortised cost, trade receivables, and other contractual rights to receive cash or other financial asset.

For trade receivables and contract assets, the Company follows 'simplified approach' and measures the loss allowance at an amount equal to lifetime expected credit losses.

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

c) Derecognition of financial assets

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

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

ii. Financial liabilities

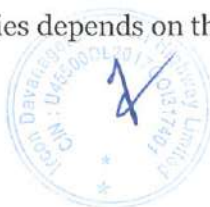
a) Initial recognition and measurement

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

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

b) Subsequent measurement

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



Ircon Davanagere Haveri Highway Limited
Notes to financial statements for the year ended March 31, 2024

Financial liabilities at amortized cost

After initial recognition, borrowings, trade payables and other financial liabilities are subsequently measured at amortized cost using the EIR (Effective Interest Rate) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

c) Derecognition of financial liabilities

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

2.2.12. Fair value measurement

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

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

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

2.2.13. Earnings Per Share

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

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

2.2.14. Prior Period Adjustment

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

2.2.15. Significant accounting estimates and judgements

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

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



Ircon Davanagere Haveri Highway Limited
Notes to financial statements for the year ended March 31, 2024

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

i. Allowances for uncollected trade receivables

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

ii. Contingencies

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

iii. Impairment of financial assets

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

iv. Taxes

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

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

v. Impairment of non-financial assets

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



Ircon Davanagere Haveri Highway Limited
Notes to financial statements for the year ended March 31, 2024

vi. Revenue recognition

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

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

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

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

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

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



IRCON DAVANAGERE HAVERI HIGHWAY LIMITED

CIN- U45500DL2017GOI317401

Notes to the Financial Statements for the year ended 31st March 2024

All amounts in Lakh unless otherwise stated

3 Property, Plant and Equipment

Particulars	Computers	Plant and Equipment's	Vehicles	Total
Gross Carrying Amount (At Cost)				
At 1st April 2022	0.87	-	-	0.87
Additions	-	82.36	45.64	128.00
Disposals/Adjustments	-	-	-	-
At 31st March 2023	0.87	82.36	45.64	128.87
Additions	-	-	9.10	9.10
Disposals/Adjustments	-	-	-6.52	-6.52
At 31st March 2024	0.87	82.36	48.22	131.45
Depreciation and impairment				
At 1st April 2022	0.49	-	-	0.49
Depreciation charge for the year	0.15	8.17	4.08	12.40
Impairment	-	-	-	-
Disposals/Adjustments	-	-	-	-
At 31st March 2023	0.64	8.17	4.08	12.89
Depreciation charge for the year	0.14	10.84	4.93	15.91
Impairment	-	-	-	-
Disposals/Adjustments	-	-	-0.59	-0.59
At 31st March 2024	0.79	19.01	8.42	28.22
Net book value				
At 31st March 2024	0.08	63.35	39.80	103.23
At 31st March 2023	0.23	74.19	41.56	115.98

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

Estimated useful life of assets are as follows:

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

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



4 Other Financial Assets (Non Current)

Particulars	As at 31st March 2024	As at 31st March 2023
Unsecured and Considered Good		
Security Deposits	34.77	34.77
Others		
Contract Assets		
-From Construction Contract	41,316.82	41,770.56
Total	41,351.59	41,805.33

Financial Assets - Construction contract is the Highway being made by IDHHL under Hybrid Annuity Model (HAM) (Refer Note 27)

5 Financial Assets

5.1 Trade Receivables

Particulars	As at 31st March 2024	As at 31st March 2023
Trade Receivables		
Unsecured Considered good	2,234.41	3,737.02
Total	2,234.41	3,737.02

(Amount due from related party is Rs Nil (PY-Nil))

A) Trade Receivable Ageing Schedule (As on 31st March 2024)

Particulars	Not Due	Unbilled	Outstanding for the year ended as at 31st March, 2024 from the due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good*	-	423.61	386.06	375.57	606.66	228.79	213.72	2,234.41
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-

B) Trade Receivable Ageing Schedule (As on 31st March 2023)

Particulars	Not Due	Unbilled	Outstanding for the year ended as at 31st March, 2023 from the due date of payment					Total
			less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good*	-	-	734.75	624.55	221.95	1,448.52	707.25	3,737.02
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-

* Trade receivable pertains to NHAI

5.2 Cash and Cash Equivalent

Particulars	As at 31st March 2024	As at 31st March 2023
Balance With Banks		
Earmarked Funds*		
- On current accounts	14.60	18.87
Other Balances:		
- Deposits with original maturity of less than 3 months	4,167.00	1,415.00
Total	4,181.60	1,433.87

* Rs.4181.60 lakhs held in escrow account (31st March 2023: Rs1433.87 lakhs held in escrow account) which are earmarked fund as per concession agreement entered with

NHAI

FRN: 05193N

New Delhi

5.3 Bank Balances other than Cash and Cash Equivalent

Particulars	As at 31st March 2024	As at 31st March 2023
Other Bank Balances		
– Deposits with original maturity of more than 3 months but less than 12 months*	5,376.00	6,224.00
Total	5,376.00	6,224.00

*Includes deposit of Rs 2646 lacs (As at 31st March 2023:Rs 2646 lacs) is under lien with Punjab National Bank and Rs 2730 lacs (As at 31st March 2023: Rs 3578 lacs) are earmarked fund as per concession agreement entered with NHAI

5.4 Loans

Particulars	As at 31st March 2024	As at 31st March 2023
Considered Good:Secured		
Staff Loan and Advance	1.63	-
Total	1.63	-

5.5 Other Financial Assets (Current)

Particulars	As at 31st March 2024	As at 31st March 2023
Unsecured and Considered Good		
From Related Parties	-	-
From Others		
Interest Accrued but Not Due	68.01	4.33
Contract Assets:		
-From Construction Contract	2,829.58	2,670.17
-Money Withheld by Client	404.97	-
-Interest Recoverable on Financial Assets	1,936.06	2,136.84
Other Recoverable	0.38	0.38
Total	5,239.00	4,811.72

Financial Asstes-Construction contract is the highway being made by company under hybrid annuity model (HAM). Refer Note 27

6 Other Current Assets

Particulars	As at 31st March 2024	As at 31st March 2023
Unsecured and Considered Good		
Advances other than capital advances		
Advances Recoverable From:		
- Goods & Services Tax	2,368.68	3,581.60
- Building cess Receivable	-	48.28
Other Advances	0.59	0.30
Others		
Prepaid Expenses	45.12	39.38
Total	2,414.39	3,669.56



IRCON DAVANAGERE HAVERI HIGHWAY LIMITED

CIN- U45500DL2017GOI317401

Notes to the Financial Statements for the year ended 31st March 2024

All amounts in Lakh unless otherwise stated

7 Equity Share capital

Particulars	As at 31st March 2024	As at 31st March 2023
Authorised share capital		
21,70,50,000 Equity shares of Rs.10 each	21,705.00	21,705.00
	21,705.00	21,705.00
Issued/Subscribed and Paid up Capital		
17,30,00,000 Equity shares of Rs 10 each-fully paid	17,300.00	17,300.00
Total	17,300.00	17,300.00

A) Promoter's shareholding

As at March 31, 2024

Particulars	Shares held by Promoter at the end of the period / year			% change during the period / year
S.No	Promoter Name*	No. of shares	% of total shares	
1	Ircon International Limited- Holding Company (IRCON)	17,30,00,000	100.00%	0.00%

As at March 31, 2023

Particulars	Shares held by Promoter at the end of the period / year			% change during the period / year
S.No	Promoter Name*	No. of shares	% of total shares	
1	Ircon International Limited- Holding Company (IRCON)	17,30,00,000	100.00%	0.00%

B) Details of shareholders holding in the company

Name of the shareholder	As at 31st March 2024		As at 31st March 2023	
	No. of Share	% holding in the class	No. of Share	% holding in the class
Ircon International Limited- Holding Company	17,30,00,000	100	17,30,00,000	100
Total	17,30,00,000	100	17,30,00,000	100

*Including 800 Shares hold by nominees

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

Particulars	As at 31st March 2024	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
	No. of Share	No. of Share	No. of Share	No. of Share	No. of Share
Equity shares allotted other than cash	-	-	-	-	-
Equity shares issued as bonus shares	-	-	-	-	-
Equity shares Buy Back	-	-	-	-	-
Total	-	-	-	-	-



Handwritten signature and stamp of the company.

IRCON DAVANAGERE HAVERI HIGHWAY LIMITED

CIN- U45500DL2017GOI317401

Notes to the Financial Statements for the year ended 31st March 2024

All amounts in Lakh unless otherwise stated

D) Terms / Rights attached to Equity Shares :**(a) Voting :**

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

(b) Liquidation :

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

(c) Dividend :

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting

E) Reconciliation of the number of equity shares and share capital outstanding at the beginning and at the end of the year

Particulars	As at 31st March 2024		As at 31st March 2023	
	No of shares	Rs in Lacs	No of shares	Rs in Lacs
Issued/Subscribed and Paid up equity Capital outstanding at the beginning of the year	17,30,00,000	17,300.00	17,30,00,000	17,300.00
Add: Shares Issued during the year	-	-	-	-
Less: Shares Buy Back during the year	-	-	-	-
Issued/Subscribed and Paid up equity Capital outstanding at the end of the year	17,30,00,000	17,300.00	17,30,00,000	17,300.00



IRCON DAVANAGERE HAVERI HIGHWAY LIMITED

CIN- U45500DL2017GOI317401

Notes to the Financial Statements for the year ended 31st March 2024

All amounts in Lakh unless otherwise stated

8 Other Equity

Particulars	As at 31st March 2024	As at 31st March 2023
(a) Retained Earnings		
Opening Balance	3,643.28	1,006.23
Add: Transfer from surplus in statement of profit and loss	2,387.82	2,637.04
Closing Balance	6,031.10	3,643.27

(b) Quasi Equity Instrument (Loan From Holding Company)

Opening Balance	1,386.00	1,386.00
Received During the year	-	-
Closing Balance	1,386.00	1,386.00

Grand Total	7,417.10	5,029.27
--------------------	-----------------	-----------------

Nature and Purpose of Other Reserves:

(a) Retained Earnings:-Retained Earnings represents the undistributed profits of the Company.

(b) Quasi Equity Instrument:-Interest free loan /quasi equity received from holding company.

9 Financial Liabilities (Non Current)**9.1 Borrowings**

Particulars	As at 31st March 2024	As at 31st March 2023
<u>Secured:</u>		
Term Loan from Bank		
#Loan from Punjab National Bank**	27,504.45	30,016.61
<u>Un-Secured:</u>		
Loan from Holding Company*	4,713.00	4,713.00
Total	32,217.45	34,729.61

#The Company has applied term loan for the purpose for which loans were obtained

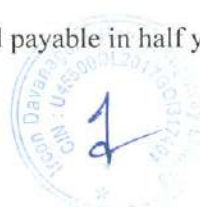
Notes :**Un-Secured Loans***** Terms & Conditions of Loan from Holding Company(Ircon International Limited)****1. Sanction :- 26.46 Crores**

(i) Interest rate to be charged on loan shall be at SBI one year MCLR rate prevailing from time to time plus 0.50%

(ii) Duration of the Loan Disbursement would be a period of 6 month from the date of signing this agreement.

(iii) Unsecured loan shall be repaid in 2.5 years starting after 12 years from COD in structured half yearly instalments.

(iv) Interest to be calculated on monthly rest basis and payable in half yearly instalments.



IRCON DAVANAGERE HAVERI HIGHWAY LIMITED**CIN- U45500DL2017GOI317401****Notes to the Financial Statements for the year ended 31st March 2024**

All amounts in Lakh unless otherwise stated

2. Sanction :- 25.00 Crores

- (i) Interest rate to be charged on the loan shall be at PNB 1-month MCLR + 0.25% (as applicable from time to time).
- (ii) Duration of Loan Disbursement would be a period of 1 year from the date of signing of agreement.
- (iii) Unsecured Loan shall be repaid in 2.5 years starting after 12 years from COD or repayment of full term loan of senior lender, whichever is earlier in structured half-yearly instalments.
- (iv) Interest to be calculated on monthly rest basis.

**** Terms & Conditions of Loan from Punjab National Bank****Sanction :- 502.76 Crores**

- (i) Interest rate to be charged on loan shall be at 1 Month MCLR +0.30%. As applicable from time to time.
- (ii) Repayment period will be 10 years and 6 months (Starting w.e.f 24.04.2021 and last instalment on 24.07.2031)
- (iii) Term loan shall be repaid in 42 Quarterly instalments starting from 24th April 2021.
- (iv) Interest shall be paid as and when due.
- (v) Term Loan to be backed by unconditional & irrevocable corporate guarantee of M/s Ircon International Limited (rated CARE AAA) up to receipt of 1st annuity from NHAI or COD plus 180 days whichever is later
- (vi) The loan shall be secured by-**
- (a) First charge by way of hypothecation of all fixed asset/ movable assets of the company(Other than project assets; Except those acquired out of the free flow of the company in operation phase) and being informed from time to time to lender.
- (b) First charge on the project's book debts , Operating cash flow, Receivables, Commission, Revenues of whatsoever nature and wherever arising, Present and future intangibles, goodwill and uncalled capital(Present and future).
- (c.) A first charge on project's bank accounts, including but not limited to the escrow account opened in designated bank, where all cash inflow from the project shall be deposited and proceeds shall be utilised in a manner and priority to be decided by lender/ investors.
- (d) Assignment of all company's rights and interest under all the agreement related to project, letter of credit(if any), and guarantee and performance bond provided by any party for any contract related to the project in Favor of borrower.
- (e) Substitution agreement executed by authority on behalf of lender for the facility.
- (f) Assignment of all applicable insurance policies.

9.2 Other Financial Liabilities

Particulars	As at 31st March 2024	As at 31st March 2023
Deposits, Retention money and Money Withheld	32.06	30.68
Total	32.06	30.68



10 Deferred Tax Assets and Income Tax

Disclosure pursuant to Ind AS 12 "Income Taxes"

(a) The Major Components of Income Tax Expenses for the year ended 31 March 2024 and 31 March 2023

S.No. Particulars	For the Year ended	
	As at 31st March 2024	As at 31st March 2023
1 Profit and Loss Section		
Current income tax :		
Current income tax charge	821.40	832.28
Adjustment in respect of current tax of previous year	2.83	0.11
Deferred tax :		
Relating to origination and reversal of temporary differences	0.62	1.75
Income tax expense reported in the Profit and Loss section	824.85	834.14
2 Other Comprehensive Income (OCI) Section		
Income tax related to items recognised in OCI during the year:		
Net loss/(gain) on remeasurements of defined benefit plans	-	-
Net loss/(gain) on foreign operation translation	-	-
Income tax expense reported in the OCI section	-	-

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March 2024 and 31 March 2023:

S.No. Particulars	For the Year ended	
	As at 31st March 2024	As at 31st March 2023
1 Accounting profit before income tax	3212.67	3471.18
2 Corporate tax rate as per Income tax Act, 1961	25.168%	25.168%
3 Tax on Accounting profit (3) = (1) * (2)	808.56	873.63
4 Effect of Tax Adjustments:		
(i) Adjustments in respect of current income tax of previous years	2.83	0.11
(ii) Utilisation of previously unrecognised tax losses	-	-
(iii) Impact of Rate Difference	-	-
(iv) Tax on Income exempt from tax	-	-
(v) Non-deductible expenses for tax purposes:	-	-
-Other country additional tax	-	-
-Other non-deductible expenses	12.81	-
(vi) Tax effect of various other items	0.65	-39.60
Income tax expense reported in the Statement of Profit and Loss	824.85	834.14
6 Effective Tax Rate	25.67%	24.03%

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

S.No. Particulars	Balance sheet		Statement of Profit or Loss	
	As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	31st March 2023
1 Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation	2.37	1.75	0.62	1.75
Net deferred tax assets/(liabilities)	2.37	1.75	0.62	1.75

(d) Reflected in the balance sheet as follows:

S.No. Particulars	As at 31st March 2024	As at 31st March 2023
1 Deferred tax assets	-	-
2 Deferred tax liability	2.37	1.75
Deferred Tax Asset/(Liabilities) (Net)	2.37	1.75

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

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

As at 31 March 2024

S.No. Particulars	Balance As at 1st April 2023 (Net)	Recognised in statement of profit and loss	Recognised in OCI	Balance As at 31st March 2024
1 Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation	(1.75)	(0.62)	-	(2.37)
Net deferred tax assets/(liabilities)	(1.75)	(0.62)	-	(2.37)

As at 31 March 2023

S.No. Particulars	Balance As at 1st April 2022 (Net)	Recognised in statement of profit and loss	Recognised in OCI	Balance As at 31st March, 2023 (Net)
1 Property, Plant & Equipment (including intangible): Difference in book depreciation and income tax depreciation	-	(1.75)	-	(1.75)
Net deferred tax assets/(liabilities)	66	(1.75)	-	(1.75)

11 Financial Liabilities (Current)**11.1 Borrowings**

Particulars	As at 31st March 2024	As at 31st March 2023
Secured		
Term Loan from Bank		
#Current maturities of long- term debt	2,512.00	2,512.00
Total	2,512.00	2,512.00

#The Company has applied term loan for the purpose for which loans were obtained

*For detailed terms & condition refer note no 9.1

11.2 Trade Payables

Particulars	As at 31st March 2024	As at 31st March 2023
- Total Outstanding Due of Micro and Small Enterprises and	20.51	46.36
- Total outstanding dues of creditors other than micro enterprises and small enterprises.		
-Payable to Holding Company.	863.36	9.04
-Payable to Others	0.23	-
Total	884.10	55.40

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

Particulars	As at 31st March, 2024	As at 31st March, 2023
1) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
2) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
3) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	-	-
4) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
5) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006	-	-

B) Trade payables Ageing Schedule

Particulars	Unbilled	Not Due	Outstanding for the year ended March 31, 2024 from the due date of payment				Total
			Less than 1 year	1-2 year	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	19.98	-	0.53	-	-	-	20.51
Total outstanding dues of creditors other than micro enterprises and small enterprises	44.73	-	818.86	-	0.00	0.00	863.59
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-

Particulars	Unbilled	Not Due	Outstanding for the year ended March 31, 2023 from the due date of payment				Total
			Less than 1 year	1-2 year	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	46.26	-	0.10	-	-	-	46.36
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	8.65	0.39	-	-	9.04
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-



12 Other Financial Liabilities

Particulars	As at 31st March 2024	As at 31st March 2023
Others		
Other Payables (including Staff Payable)	27.62	19.82
Money Withheld with Contractor	-	-
-With Holding Co.	337.87	1,953.92
-With Others	3.05	-
Total	368.54	1,973.74

13 Other Current Liabilities

Particulars	As at 31st March 2024	As at 31st March 2023
Contract Liability		
Advance from Clients	327.54	-
Others		
Statutory dues	65.41	20.74
Total	392.95	20.74

14 Current Tax Assets / (Liabilities) (Net)

Particulars	As at 31st March 2024	As at 31st March 2023
Provision for Income Tax (Net of Advance tax and TDS)	224.72	(144.29)
Total	224.72	(144.29)

15 Revenue from operations

Particulars	As at 31st March 2024	As at 31st March 2023
Revenue From Contract with costumers:		
Contract revenue under service concession arrangements	6,874.92	1,975.25
Total	6,874.92	1,975.25

For other relevant disclosure Refer Note 26 & 27

16 Other Income

Particulars	As at 31st March 2024	As at 31st March 2023
Interest Income		
Interest on Term Deposit	575.29	294.67
Interest on Income Tax Refund	-	17.71
Interest Income on Financial Assets	5,744.50	5,370.15
Interest Income on Staff Loan	0.13	-
Others Non Operating Income		
Profit on sale of assets	2.56	-
Other Miscellaneous Income	0.00	0.66
Total	6,322.48	5,683.19



17 Project and Other Expenses

Particulars	Foot Note	Project Expenses		Other Expenses	
		For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2024	For the year ended 31st March 2023
Work Expenses		6,217.16	913.71	-	-
Operation and Maintenance Expenditure		234.65	235.02	-	-
Inspection, Geo Technical Investigation & Survey Exp. Etc.		77.26	59.50	-	-
Repairs and Maintenance of Machinery		0.92	-	-	-
Bank Guarantee & Other Charges		-	-	1.34	-
Rent		-	-	3.31	3.01
Rates and taxes		-	-	0.00	-
Power, Electricity and Water charges		113.10	59.36	-	-
Insurance		88.29	78.32	-	-
Travelling & conveyance		-	0.23	0.25	0.15
Printing & stationery		-	-	0.12	0.19
Legal & Professional charges		-	0.40	5.86	5.59
Auditors remuneration	(i)	-	-	1.77	1.60
Advertisement & publicity		-	-	0.67	-
Corporate social responsibility (Refer Note 30)		-	-	29.32	6.94
Miscellaneous expenses		-	2.95	0.86	0.58
Provisions Utilised		-	-157.36	-	-
Total		6,731.38	1,192.13	43.50	18.06

(i) Payment to Statutory Auditors:

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
(a) Audit Fee - current year	0.96	0.88
(b) Limited Review Fees	0.53	0.45
(c) Tax Audit Fees - current year	0.28	0.27
(d) Certification Fees	-	-
Total	1.77	1.60

18 Employee Remuneration and Benefits

Particulars	For the year ended 31st March 2024			For the year ended 31st March 2023		
	Operating	Other Administrative	Total	Operating	Other Administrative	Total
Salaries, Wages & Bonus	67.58	-	67.58	65.14	-	65.14
Contribution to provident and other funds	4.33	-	4.33	4.78	-	4.78
Retirement benefits	12.22	-	12.22	6.87	-	6.87
Staff Welfare	-	-	-	-	-	-
Total	84.13	-	84.13	76.79	-	76.79

19 Finance Cost

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Interest Expense		
To Holding Company	415.49	367.76
To Banks	2,660.86	2,511.17
To Statutory Interest	24.13	-
Bank Guarantee & Other Charges	9.33	8.95
Total	3,109.81	2,887.88



20 Depreciation, amortization and impairment

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Depreciation on Property Plant and Equipment	15.91	12.40
Total	15.91	12.40

21 Earnings Per Share

Disclosure as per Ind AS 33 'Earnings per share'

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

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

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

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Profit attributable to Equity holders (Rs. in lacs)	2387.83	2637.04
Weighted average number of equity shares for Basic and Diluted EPS (In Nos)	173000000	173000000
Earnings per share (Basic)	1.38	1.52
Earnings per share (Diluted)	1.38	1.52
Face value per share	10.00	10.00

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

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Profit for the year as per Statement of Profit and Loss	2387.83	2637.04
Profit attributable to Equity holders of the company used for computing EPS:	2387.83	2637.04

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

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Opening balance of issued equity shares	17,30,00,000	17,30,00,000
Equity shares issued during the year	-	-
Weighted average number of equity shares for computing Basic EPS	17,30,00,000	17,30,00,000
Dilution Effect:		
Add: Weighted average numbers of potential equity shares outstanding during the year	-	-
Weighted average number of equity shares for computing Diluted EPS	17,30,00,000	17,30,00,000

22 Related Party Disclosures

Disclosure as per Ind AS 24 'Related Party Disclosures' are as under:

a) List of Related Parties**(i) Holding company**

Ircon International Limited

(ii) Key Management Personnel (KMP)

Name	Designation
Shri Masood Ahmed (w.e.f. 2nd August 2021)	Director
Shri Devendra Kumar Sharma (w.e.f. 2nd August 2021 to 31st January 2024)	Director
Ms. Ritu Arora (w.e.f. 13th May 2021 to 16th November 2023)	Director
Ms. Aradhana Garg (w.e.f. 23rd January 2024)	Director
Shri Rohit Parmar (w.e.f. 1st June 2022 to 24th April 2024)	Director
Shri Yogesh Kumar Mishra (w.e.f. 1st February 2024)	Director
Shri Mahadeb Mandal (w.e.f. 1st July 2021)	Chief Financial Officer
Shri Goutam Kumar Mishra (w.e.f. 24th August 2022)	Chief Executive Officer
Shri Pradeep Kumar Baisoya (w.e.f. 12th April 2022)	Company Secretary



b) Transactions with other related parties are as follows:

Nature of transaction	Name of related party	Nature of relationship	For the year ended 31st March 2024	For the year ended 31st March 2023
1) Reimbursement expenses	Ircon International Limited	Holding Company	33.51	29.62
2) Provision for O&M			45.41	-
3) Works Contract			6,217.16	913.71
4) Asset Acquired under works contract			-	128.01
5) Rent Expense (inclusive of GST)			3.31	3.01
6) Interest on Loan			415.49	367.76
7) Loans			-	837.00

c) Outstanding balances with the related parties are as follows:

Nature of transaction	Name of related party	Nature of relationship	As at 31st March 2024	As at 31st March 2023
Balance Payable as on reporting date	Ircon International Limited	Holding Company	1,201.24	1,962.96
Unsecured Loan o/s	Ircon International Limited	Holding Company	4,713.00	4,713.00

Remuneration to Key management personnel are as under:

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Short term employee benefits	61.01	47.52
Post employment benefits	13.04	7.67
Sitting fee	-	-
Other long-term employee benefits	3.24	2.46
Staff Welfare	-	-
TOTAL	77.29	57.65

e) Terms and conditions of transactions with related parties

- (i) Transactions with related parties are made on terms equivalent to those that prevail in arm's length
- (ii) Balances payable of related parties at the reporting date are unsecured and settlement occurs through banking transactions. These balances are interest free except unsecured loan as mentioned in Note no 9.1 of the financial statement.



Ircon Davanagere
Haveri Highway
Limited

23 A. Fair Value Measurements

a) Financial instruments by category

Particulars	As at 31st March 2024			As at 31st March 2023		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets						
Loan			1.63			-
Other Financial Assets	-	-	46,590.59	-	-	46,617.05
	-	-	46,592.22	-	-	46,617.05
Financial Liabilities						
Borrowings	-	-	34,729.45	-	-	37,241.61
Other Financial Liabilities	-	-	400.60	-	-	2,004.42
Total	-	-	35,130.05	-	-	39,246.03

b) Fair value hierarchy

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

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

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

Level 3: Unobservable inputs for the asset or liability

c) The carrying values and fair values of financial instruments by categories as at 31 March, 2024 are as follows:

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
Financial Assets at Amortized Cost				
Loan	1.63	-	-	1.63
Other Financial Assets	46,590.59	-	-	46,590.59
Total	46,592.22	-	-	46,592.22

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
Financial Liabilities at Amortized Cost				
Borrowings	34,729.45	-	-	34,729.45
Other Financial Liabilities	400.60	-	-	400.60
Total	35,130.05	-	-	35,130.05

d) The carrying values and fair values of financial instruments by categories as at 31 March, 2023 are as follows:

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
Financial Assets at Amortized Cost				
Loan	-	-	-	-
Other Financial Assets	46,617.05	-	-	46,617.05
Total	46,617.05	-	-	46,617.05

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
Financial Liabilities at Amortized Cost				
Borrowings	37,241.61	-	-	37,241.61
Other Financial Liabilities	2,004.42	-	-	2,004.42
Total	39,246.03	-	-	39,246.03

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

(i) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

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

* During the financial year 2023-24 and 2022-23, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

B. Financial Risk Management

The Company's principal financial liabilities borrowing and other financial liabilities. The Company's principal financial assets include cash and cash equivalents and recoverable from NHAI that derive directly from its operations. The Company's activities expose it to some of the financial risks: market risk, credit risk and liquidity risk.

a) Market Risk

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

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of change in market interest rate. The company manages its interest risk in accordance with the companies policies and risk objective. Financial instruments affected by interest rate risk includes deposits with banks. Interest rate risk on these financial instruments are very low as interest rate is fixed for the period of financial instruments.

b) Credit Risk

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

Trade Receivables and Other financial assets

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

(i) Exposure to Credit Risk

Particulars	31-03-2024	31-03-2023
Financial Assets for which allowance is measured using Lifetime Expected Credit Losses (LECL)		
Other Non Current Financial Assets	41,351.59	41,805.33
Cash and Cash Equivalents	4,181.60	1,433.87
Other Bank Balances	5,376.00	6,224.00
Loan	1.63	-
Other Current Financial Assets	5,239.00	4,811.72
Financial Assets for which allowance is measured using Simplified Approach		
Trade Receivables	2,234.41	3,737.02

(ii) Provision for expected credit losses

No impairment loss has been recognised during the reporting period.

(iii) Reconciliation of impairment loss provisions

Particulars	31-03-2024	31-03-2023
Opening Allowances	-	-
Impairment loss recognised during the period	-	-
Amount written-off during the period	-	-
Total	-	-

No significant changes in estimation techniques or assumptions were made during the reporting period.

c) Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. The treasury department regularly monitors the position of Cash and Cash Equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

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

The table below provides details regarding the significant financial liabilities as at 31 March 2024 and 31 March 2023

Particulars	As on 31 March, 2024		
	Less than 1 Year	1-2 years	2 Years and above
Borrowings	2,512.00	3,456.00	28,761.45
Trade payables	884.10	-	-
Other financial liabilities	400.60	-	-

Particulars	As on 31 March, 2023		
	Less than 1 Year	1-2 years	2 Years and above
Borrowings	2,512.00	2,512.00	32,217.61
Trade payables	55.40	-	-
Other financial liabilities	2,004.42	-	-

d) Excessive risk concentration

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

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

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

Particulars	For the year ended	
	31-03-2024	31-03-2023
Revenue from top 5 Projects	6,874.92	1,975.25

C. Capital Management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The management and the Board of Directors monitor the return on capital. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure. Company has taken a unsecured loan during the FY 2023-24 Rs NIL (Previous Year Rs 837 lacs) from Holding co to finance its project.

Company has taken a term loan during the FY 2023-24 Rs NIL (Previous Year Rs Nil) from Punjab National Bank to finance its project.

Debt Equity Ratio :-

Particulars	31-Mar-24	31-Mar-23
Borrowings (Note No. 9.1 & 11.1)	34,729.45	37,241.61
Long Term Debt	34,729.45	37,241.61
Equity (Note No. 7)	17,300.00	17,300.00
Other Equity (Note No. 8)	7,417.10	5,029.27
Total Equity	24,717.10	22,329.27
Debt Equity Ratio	1.41	1.67



24 Impairment of assets

In compliance of Ind AS 36 "Impairment of Assets", the Company has reviewed the assets at year-end for indication of impairment loss, if any, as per the accounting policy of the Company. As there is no indication of impairment, no impairment loss has been recognised during the year.

25 Employee Benefits

- a. The employees in Ircon Davanagere Haveri Highway Limited are posted on Deputation/secondment basis from Ircon International Limited (Holding Company).
b. In terms of accounting policy of the Company (Note No. 2.2.7) and arrangement with the Holding Company, the provision for Retirement Benefits such as provident fund, pension, gratuity, post retirement medical benefits, Leaves and other terminal benefits of nominated employees is being made by Holding company in terms of Ind AS-19. The amount paid or payable towards provident fund, pension, gratuity, post retirement medical benefits, Leaves and other terminal benefits to the holding company are included in "Employee Benefit Expenses" (Note 18).
c. Provident Fund Contribution of the employees on nomination/secondment have been regularly deposited by the holding company with its P.F Trust.

26 Revenue from contract with customers as per Ind AS-115**A. Disaggregation of Revenue**

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

Type of Product or Services	For the year ended March 31, 2024						
	Revenue as per Ind AS 115			Method for measuring performance obligation		Other Revenue	Total as per Statement of Profit and Loss
	Domestic	Foreign	Total	Input Method	Output Method		
Railways	-	-	-	-	-	-	-
Highway	6,874.92	-	6,874.92	6,874.92	-	-	6,874.92
Electrical	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	6,874.92	-	6,874.92	6,874.92	-	-	6,874.92

Out of the total revenue recognised under Ind AS 115 during the year, Rs 6874.92 lacs is recognised over a period of time and Rs Nil lacs recognised point in time.

Type of Product	For the year ended March 31, 2023						
	Revenue as per Ind AS 115			Method for measuring performance obligation		Other Revenue	Total as per Statement of Profit and Loss
	Domestic	Foreign	Total	Input Method	Output Method		
Railways	-	-	-	-	-	-	-
Highway	1,975.25	-	1,975.25	1,975.25	-	-	1,975.25
Electrical	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	1,975.25	-	1,975.25	1,975.25	-	-	1,975.25

Out of the total revenue recognised under Ind AS 115 during the year, Rs 1975.25 lacs is recognised over a period of time and Rs Nil lacs recognised point in time.

B. Contract balances

Particulars	As at 31st March, 2024	As at 31st March, 2023
Trade Receivables (Note 5.1)	2,234.41	3,737.02
Contract Assets (Note 4 & 5.4)	44,146.40	44,440.73
Contract Liabilities (Note 13)	327.53	-

- (i) Trade receivables are non-interest bearing and the customer profile is National Highway Authority of India. The Company's average project execution cycle is around 24 to 36 months. General payment terms include mobilisation advance, monthly progress payments with a credit period ranging from 45 to 60 days.
- (ii) Contract Assets are recognised over the period in which services are performed to represent the Company's right to consideration in exchange for goods or services transferred to the customer. It includes balances due from customers under construction contracts that arise when the Company receives payments from customers as per terms of the contracts however the revenue is recognised over the period under input method. Any amount previously recognised as a contract asset is reclassified to trade receivables on satisfaction of the condition attached i.e. future service which is necessary to achieve the billing milestone.



4

Movement in contract balances during the year

Particulars	As at 31st March, 2024	As at 31st March, 2023
Contract asset at the Beginning of the year	44,440.73	48,366.43
Contract asset at the end of the year	44,146.40	44,440.73
Net increase/(decrease)	-294.33	-3,925.70

For the year 2023-24, there has been net decrease by 294.33 Lacs as compare to previous year decrease by Rs. 3925.70 lacs. Variation is due to recognition of revenue based on input method whereas bills for work done are certified based on contract condition..

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

Movement in contract balances during the year

Particulars	As at 31st March, 2024	As at 31st March, 2023
Contract liabilities at the Beginning of the year	-	-
Contract liabilities at the end of the year	327.53	-
Net increase/decrease	327.53	-

Set out below is the amount of revenue recognised from:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Amount included in contract liabilities at the beginning of the year	-	-
Performance obligation satisfied in previous years	-	-

D. Cost to obtain the contract

Amount recognised as asset as at 31st March, 2024 is Rs. Nil (As at 31st March, 2023: Rs. Nil)

Amount of amortisation recognised in the statement of profit and loss during the year is Rs. Nil (FY 2022-23: Rs. Nil)

E. Performance obligation

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

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

Particulars	As at 31st March, 2024	As at 31st March, 2023
Within one year	15,836.95	16,143.01
More than one year to 2 years	5,239.28	8,075.06
More than 2 years	32,178.92	36,618.20
Total	53,255.15	60,836.27

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

27 A. Service Concession Arrangements

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

- The Grantor controls or regulates which services the operator should provide with the infrastructure, to whom it must provide them, and at what price; and
- The Grantor controls- through ownership, beneficial entitlement, or otherwise- any significant residual interest in the infrastructure at the end of the term of the arrangement.

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

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

Ironcon Davanagere Haveri Highway Limited (IDHHL) has entered into service concession arrangement with National Highway Authority of India (NHAI) dated 19-06-2017. in terms of which NHAI (the grantor) has authorized the company for development, maintenance and management of National Highway No. 48 (Old NH-4) including the section from Km 260.00 to Km 338.923 (approx. 78.923 Km) on Davanagere - Haveri Section of National Highway No. 48 (Old NH-4) in the State of Karnataka by six-laning thereof on design, build, finance, operate and transfer basis. In terms of the said agreement IDHHL has an obligation to complete construction of the project of Six laning of Davanagere Haveri section and to keep the project assets in proper working condition including all projects assets whose lives have expired. The Project is under Annuity pattern.

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

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

Company has recognized financial asset of Rs.44146.40 Lakhs under service concession agreement up to the period ended 31st March 2024 (31st March 2023 Rs 44,440.72 lakh) after taking into account the receivables due from NHAI on completion of milestone as per terms of the contract. The company has recognised revenue of Rs 6874.92 Lacs for the period ended on 31st March 2024 (for the period ended on 31st March 2023 Rs Rs 1975.25 Lakh) on construction of Road under SCA and Operation Revenue as per Ind AS - 115 related to "Revenue from Customers". The company has recognized receivable under service concession arrangement and shown under Other Financial Assets which it will receive as per terms of the contract based on the completion of milestone, as on 31st March 2024. Company has received Provisional Completion certificate with effect from May 28, 2021.



B. Disclosure in terms of Appendix D of Ind AS 115

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

Particulars	As at 31st March, 2024	As at 31st March, 2023
Contract Revenue Recognized	6,874.92	1,975.25
Aggregate amount of cost incurred	6,874.92	1,299.38
Amount of advance received from Client	-	-
Amount of retention by Client	-	-
Profit/(Loss) recognised during the period for exchange of construction service for a financial asset	0.00	675.87
Gross amount due from Client for Contract Works	2,234.41	3,737.02

28 Disclosures pursuant to amendment in Schedule III of the Companies Act 2013:

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

- (i) The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year ending 31st March 2024 and 31st March 2023.
- (ii) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year ending 31st March 2024 and 31st March 2023.
- (iii) The Company do not have any Benami property as on 31st March 2024 and 31st March 2023, where any proceeding has been initiated or pending against the company for holding any Benami property.
- (iv) The Company do not have any prior period errors in financial year ending on 31st March 2024 and 31st March 2023 to be disclosed separately in statement of changes in equity.
- (v) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period in the financial year ending 31st March 2024 and 31st March 2023.
- (vi) During the financial year 2023-24 and 2022-23, The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vii) During the financial year 2023-24 and 2022-23, The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (viii) The Company has granted multi purpose advance to Chief Financial officer of Rs 2.00 lacs (O/s Balance Rs 1.63 lacs) in the financial year ending 31st March 2024 and Nil in previous year 31st March 2023.
- (ix) The Company does not have any immovable properties as at 31st March 2024 and 31st March 2023.
- (x) The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority in the financial year 2023-24 and 2022-23.
- (xi) Company is not required to submit statement of current assets with the bank and therefore reconciliation of the statement filed by the company with bank and the books of accounts is not applicable.
- (xii) The Company does not have any transactions in financial year 2023-24 and 2022-23, where the company has not used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.
- (xiii) The Company have not entered into any scheme(s) of arrangements during the year ending 31st March 2024 and period ending 31st March 2023.
- (xiv) The Company has not entered in any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (xv) Company has not received any grants and donations during the year ending 31st March 2024 and period ending 31st March 2023.
- (xvi) The Company does not have any Capital Work- in- Progress, Investment Property, Intangible Assets and Intangible Assets under Development as at 31st March, 2024 and 31st March, 2023.
- (xvii) During the year 2023-24 and 2022-23, the company has not revalued any of its Property, plant and equipment.



(xviii) The following accounting ratios are disclosed:

Particulars	Numerator	Denominator	March 31, 2024	March 31, 2023	% change	Reason for change more than 25%
Current ratio	Current Assets	Current Liabilities	4.73	4.22	12.09%	NA
Debt-equity ratio	Total Debt	Shareholder's Equity	1.41	1.67	-15.57%	NA
Debt service coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	0.99	1.16	-14.66%	NA
Return on equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.10	0.13	-23.08%	NA
Inventory	Cost of goods sold	Average Inventory	NA			
Trade receivables turnover ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	2.30	0.55	318.18%	Due to increase in revenue in current year
Trade payable turnover ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	13.24	1.05	1160.63%	Due to increase in work expenses and reduction in trade payable
Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	0.44	0.13	238.46%	Due to increase in revenue in current year
Net profit ratio	Net Profit	Net sales = Total sales - sales return	0.35	1.34	-73.88%	Due to increase in Work Exp & Finance cost in current year
Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.13	0.13	0.00%	NA
Return on investment	Interest (Finance Income)	Investment	0.06	0.05	26.73%	Due to increase in finance income in current year

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

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

Corporate Social Responsibility

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

A. Amount required to be spent on CSR Activities

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Gross amount required to be spent by the Company during the year	29.30	6.90
Amount approved by the Board to be spent during the year	29.30	6.90

B. Amount spent on CSR Activities

Particulars	For the year ended 31st March 2024			For the year ended 31st March 2023		
	Paid in Cash	Yet to paid	Total	Paid in Cash	Yet to paid	Total
On Construction/acquisition of any asset*	-	-	-	-	-	-
On purposes other than above	29.32	-	29.32	6.94	-	6.94
Total	29.32	-	29.32	6.94	-	6.94

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

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Contribution to Prime Minister CARES Fund for fighting against COVID-19	-	-
Eradicating hunger, poverty & malnutrition, promoting preventive healthcare & sanitation & making available safe drinking water	29.32	6.94
Promoting Education, including special education and employment enhancing vocation skills especially among children.	-	-
Ensuring environmental sustainability	-	-
Setting up homes and hostels for women and orphans, Setting up old age homes, day care centres and such other facilities for senior citizens	-	-
Sports	-	-
Others (including Other Admin Cost)	-	-
Total	29.32	6.94

D. Details related to unspent obligations:

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Unspent amount in relation to:		
- Ongoing project (#)	-	-
- Other than ongoing project (##)	-	-

Ongoing Project:

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

Other than ongoing project:

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

E. Details related to spent / unspent obligations:

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Opening Balance	-	-
Gross amount required to be spent by the Company during the year (as per (a) above)	29.30	6.90
Amount spent by the Company during the year (as per (b) above)*	29.32	6.94
Shortfall/(Excess) amount spent by the company	(0.02)	(0.04)

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

F. Other disclosure:

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard (1)	NA	NA
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	NA

Contingent liabilities and Contingent Assets:

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
(I) Contingent Liabilities:		
(a) Claims against the company not acknowledge as debt		
Disputed Tax Demand	347.2	Nil
(b) Guarantees excluding financial guarantee:	Nil	Nil
(c) Other money for which the company is contingently liable.	Nil	Nil
(II) Contingent Assets:	Nil	Nil

32 Commitments:

Estimated amount of contracts remaining to be executed on capital account and other is Rs Nil Lakhs (Previous Year Rs. Nil Laes)

b) Other Commitments: Rs. 9507.11 lakh (Previous Year 15720.88 lakh).

33 Segment Reporting:

(i) General Information

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

(ii) Information about geographical information

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

(iii) Information about major customer

Revenue of Rs. 6874.92 Lakhs (P.Y Rs 1975.25 lakh) are derived from a single customer i.e. NHAI which is more than 10% of the Company's total revenue.

III. Interest in other Entities: Rs. NIL (Previous Year NIL).

34 Disclosure regarding Leases:**(a) Company as a Lessee**

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

The Company has taken Office on lease with lease terms of 12 months or more however lease can be terminated on one month notice by either side therefore Company applies the 'short-term lease' recognition exemptions for such leases without any penalty

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

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Expense relating to short-term leases (Refer Note 17)	3.31	3.01

(a) Company as a Lessor

Company has no leasing arrangement as a lessor.

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

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

36 Changes in accounting policies and disclosures**New and amended standards.**

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023 to amend the following Ind AS which are effective for annual periods beginning on or after April 1, 2023. The Company applied for the first-time these amendments:

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

As a result of these amendments, the Company has to recognize a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet.

37 Other disclosures

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

(ii) Figures rounded off to the nearest rupees in Lakh.

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

(iii) Certain prior periods amounts have been reclassified for consistency with the current period presentations. These reclassifications have no effect on the reported results of operations. Also, previous year figures are shown under bracket () to differentiate from current year figures

As per our Report of even date attached

G A C S & Associates
Chartered Accountants
ICAI Firm Reg. No. : 005193N

CA Shashi Gupta
Partner
ICAI Membership No. 084110
Place : New Delhi



Date : 10.05.2024

For and on behalf of Board of Directors
Ircon Davanagere Haveri Highway Limited

Yogesh Kumar Mista
Director
DIN-07654014

Masood Ahmad
Director
DIN-09008553

Pradeep Baisoya
Company Secretary

Goutam Kumar Mishra
Chief Executive officer

Mahadeb Mandal
Chief Financial Officer





लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

महानिदेशक लेखापरीक्षा का कार्यालय
रेलवे वाणिज्यक, नई दिल्ली
C/o भारत के नियंत्रक और महालेखा परीक्षक
Office of the Director General of Audit
Railway Commercial, New Delhi
C/o Comptroller and Auditor General of India

4, दीनदयाल उपाध्याय मार्ग, नई दिल्ली 4, Deen Dayal Upadhyaya Marg, New Delhi-110002



संख्या: DGA/RC/AA-IDHHL/83-29/2023-24/123

दिनांक: 02.07.2024

सेवा में,

निदेशक,
इरकॉन दावणगेरे हवेरी हाइवे लिमिटेड
सी-4, जिला केंद्र, साकेत,
नई दिल्ली-110007

महोदय,

विषय: 31 मार्च 2024 को समाप्त वर्ष के लिए इरकॉन दावणगेरे हवेरी हाइवे लिमिटेड के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143 (6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

मैं, इरकॉन दावणगेरे हवेरी हाइवे लिमिटेड के 31 मार्च 2024 को समाप्त वर्ष के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143 (6) (b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रहा हूँ।

कृपया इस पत्र की संलग्नको सहित प्राप्ति की पावती भेजी जाए।

भवदीय,

संलग्न : यथोपरि

डॉ. नीलोत्पल गोस्वामी
महानिदेशक (रेलवे वाणिज्यक)


**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013, ON THE
FINANCIAL STATEMENTS OF IRCON DAVANAGERE HAVERI HIGHWAY
LIMITED FOR THE YEAR ENDED 31 MARCH 2024**

The preparation of financial statements of **Ircon Davanagere Haveri Highway Limited** for the year ended 31 March 2024 in accordance with the financial reporting framework prescribed under the Companies Act, 2013, is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act, based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 10 May 2024.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct supplementary audit of the financial statements of Ircon Davanagere Haveri Highway Limited for the year ended 31 March 2024 under Section 143 (6)(a) of the Act.

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

Place: New Delhi
Dated: 02.07.2024


Dr. Nilotpāl Goswami
Director General of Audit
Railway Commercial, New Delhi



**IRCON DAVANAGERE HAVERI HIGHWAY LIMITED
(‘IrconDHHL’)**

Registered & Corporate Office:

**C-4, District Centre, Saket, New Delhi -110017, India
Tel.: +91-11-29565666 | Fax: +91-11-26522000, 26854000
E-mail id: ircondhhl@gmail.com**